

## **GH Holdings 2 Limited**

Annual Report and Financial Statements

Year Ended

31 March 2023

Company Number 09627840

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## **GH Holdings 2 Limited**

### **Company Information**

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<b>Directors</b>	S Pasricha S B Mittal P Surana H Roy
<b>Registered number</b>	09627840
<b>Registered office</b>	Third Floor 20 Old Bailey London EC4M 7AN
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# GH Holdings 2 Limited

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# **GH Holdings 2 Limited**

## **Strategic Report for the Year ended 31 March 2023**

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### **Introduction**

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 continued to be that of an investment holding company.

### **Business review**

The company made a profit before tax for the year of £2,532,000 (2022: £2,900,000) which includes interest receivable of £3,277,000 (2022: £2,934,000).

### **Principal risks and uncertainties**

#### *Investment Risk*

As a holding company within the Gleneagles group, the company is exposed to falls in values of its investments. The Company reviews investment values in cases of a trigger event that may cause the fair value to be lower than the carrying value and adjusts the carrying value accordingly.

The directors consider the main risk facing the company's investment values as being the levels of inflation across the economy and the resulting cost pressures. The economic impact on the hotel sector is widely reported and acknowledged by the directors who have reviewed the mitigation strategies implemented at The Gleneagles Hotel to reduce the cost base. 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 group's directors manage the group's operations on a consolidated basis using key performance indicators. The company's directors monitor the performance of its subsidiaries through regular review of the performance of its trading subsidiaries compared to agreed budgets, and progress of its subsidiaries development projects against agreed development plans. The company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the company's business or that of its investments. The key performance indicators of the Group are included in the GH Holdings 1 Limited Annual report and financial statements which are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

### **Section 172 report**

Stakeholder engagement is an important area of focus for GH Holdings 2 Limited. We ensure that we have open communications with our various stakeholder groups. We use information gained through these relationships to make informed judgements when making key decisions.

The directors understand the importance of their section 172 duty to act in good faith to promote the success of the group. When making decisions, the interests of any key relevant stakeholders is considered, including employees, suppliers, customers, shareholders, the community, lenders and the environment. The group is committed to developing business relationships with suppliers and customers.

The Board also takes into consideration the long-term consequences for both the group and its relevant stakeholders when making these decisions by forecasting and considering the impact of these decisions. This ensures that the group conducts its business in a fair way, protecting its reputation and external relationships.

# **GH Holdings 2 Limited**

## **Strategic Report (continued) for the Year ended 31 March 2023**

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### *Workforce engagement*

The group employed on average 1,510 people during the year ending 31 March 2023 and actively engages with and develops its people.

The group provides regular updates to its employees through a number of internal channels from informal, local, hotel-level communications through to formal, quarterly, group-wide information sessions.

The group conducted a staff wide survey in 2021 to gauge engagement levels and help shape the next steps in further improving the organisational culture and maintaining our position as an employer of choice in the industry.

Upon joining, all new team members undergo a relevant and comprehensive induction program developed to provide support and guidance for their role.

Internal training is provided for all team members to support them in performance of their roles and additional management training is provided as team members take on management duties.

For employees who prefer to raise any concerns confidentially, we have channels whereby any employee can ask a question of the senior leadership team anonymously, which are regularly reviewed and answered.

Diversity and inclusion surveys have been undertaken to better understand how we can make the group more inclusive and progressive. We have also set up a Global Inclusion Council to help us advance the opportunities and interest of our people from all diverse backgrounds. We want our Council to be made up of internal team members, as well as external consultants. Over the long term, we aim to improve representation of underrepresented groups as well as staff retention by fostering a sense of belonging amongst our employees.

### *Shareholder engagement*

The Board is committed to ensuring there is continued sufficient and effective communication and engagement between the group and the shareholders through various different means throughout the year. This includes the Annual Report which sets out the group's strategy and performance over the past financial year and plans for future growth. Additionally, KPIs relating to operating hotels as well as the group as a whole are reported on a quarterly basis with commentary to explain key performance details.

### *Supplier engagement*

We undertake due diligence on our suppliers, and undertake regular monitoring to ensure all suppliers are working in line with our minimum standards. Key suppliers include construction, food & beverage, cleaning, property maintenance & IT/security infrastructure.

To ensure there is two-way communication with suppliers, we regularly engage with them by phone and/or onsite. Contracts are reviewed regularly and a fair competitive process is carried out when agreements expire or are due for renewal.

### *Community engagement*

The group has continued its 'Do More' programme, which allows our employees to engage in charitable projects and activities. Our employees volunteer and fundraise for local charities that impact the local community and we are proud support Social Bite in Edinburgh.

The group actively engages with local schools and colleges to promote the benefits and opportunities of careers in hospitality. Our team members have delivered masterclass sessions, delivered tours of the estate and acted as judges in competitions.

## GH Holdings 2 Limited

### Strategic Report (continued) for the Year ended 31 March 2023

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#### *Customers*

As part of our staff training, we emphasise the importance of engaging with customers throughout their experience. We enable our customers to get up to date pricing information and promotions through emails and our website, and we carry out a number of guest satisfaction surveys.

We ensure our offering remains up to date and attractive to customers, with a continuing process of refurbishment and renewal throughout the hotel.

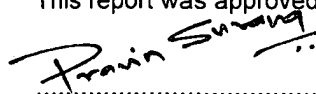
#### *Lender engagement*

There is regular communication with the lenders to discuss business performance, the market and any current issues. Additionally, lenders are reported to on a monthly basis with updates on the performance of the hotel.

#### *Environment*

The group is committed to reducing its environmental impact. Gleneagles Hotel holds the Green Tourism Gold Award, the highest possible status in the scheme and reflects our ongoing commitment to improving our working practices, protecting the natural environment, reducing our carbon footprint, behaving fairly and responsibly, supporting the local community and local businesses, and ensuring our operation is managed and delivered as sustainably as possible. Progress has been made on reducing the impact of the hotel with regards plastic packaging and waste. Our Golf team have reduced chemical usage and water usage across the golf courses, reaching the final of the 2022 Golf Environment Awards. We have completed a study of energy usage and are currently engaged in a project to update our heating system and move away from using oil to heat the main hotel building.

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



.....  
**P Surana**  
Director

Date: 30 October 2023

# GH Holdings 2 Limited

## Directors' Report for the Year ended 31 March 2023

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

### Results and dividends

The profit for the year, after taxation, amounted to £2,407,000 (2022: £2,900,000).

### Directors

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

S Pasricha  
S B Mittal  
P Surana  
E T Renault (resigned 1 October 2022)  
H Roy (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 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). 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 - 3. These matters relate to the principal risks to which the company is exposed and future developments.

# GH Holdings 2 Limited

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

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### 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.

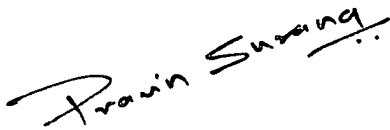
### Auditor

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 by:



.....  
**P Surana**  
Director

Date: 30 October 2023



# **GH Holdings 2 Limited**

## **Independent Auditor's Report to the Members of GH Holdings 2 Limited**

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### **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 GH Holdings 2 Limited ("the company") for the year ending 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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.

# **GH Holdings 2 Limited**

## **Independent Auditor's Report to the Members of GH Holdings 2 Limited (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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.

# **GH Holdings 2 Limited**

## **Independent Auditor's Report to the Members of GH Holdings 2 Limited (continued)**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

## **GH Holdings 2 Limited**

### **Independent Auditor's Report to the Members of GH Holdings 2 Limited (continued)**

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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.

## GH Holdings 2 Limited

### Independent Auditor's Report to the Members of GH Holdings 2 Limited (continued)

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#### 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: 01 November 2023

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

## GH Holdings 2 Limited

### Statement of Comprehensive Income for the Year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Turnover	4	62	60
Administrative expenses		(4)	(5)
Impairment of receivables	3	(445)	-
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>		<b>(387)</b>	<b>55</b>
Interest receivable and similar income	7	3,277	2,934
Interest payable and similar charges	8	(358)	(89)
		<hr/>	<hr/>
<b>Profit before tax</b>		<b>2,532</b>	<b>2,900</b>
Tax expense on profit	9	(125)	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>2,407</b>	<b>2,900</b>
		<hr/>	<hr/>

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 21 form part of these financial statements.

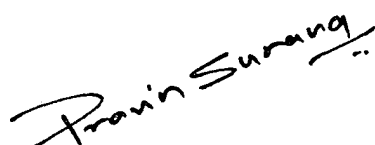
## GH Holdings 2 Limited

Registered number: 09627840

### Statement of Financial Position as at 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Investments	10	111,643	111,643
<b>Current assets</b>			
Debtors within one year	11	88,419	81,695
Cash at bank and in hand		37	10
		<u>88,456</u>	<u>81,705</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(160,616)</u>	<u>(156,272)</u>
<b>Net current liabilities</b>		<u>(72,160)</u>	<u>(74,567)</u>
<b>Net assets</b>		<u>39,483</u>	<u>37,076</u>
<b>Capital and reserves</b>			
Share capital	13	1	1
Retained earnings	14	39,482	37,075
		<u>39,483</u>	<u>37,076</u>

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



.....  
**P Surana**  
Director

 Date: 30 October 2023

The notes on pages 14 to 21 form part of these financial statements.

## GH Holdings 2 Limited

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

	Share capital £'000	Retained earnings £'000	Total equity £'000
<b>At 1 April 2022</b>	<b>1</b>	<b>37,075</b>	<b>37,076</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,407	2,407
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2023</b>	<b>1</b>	<b>39,482</b>	<b>39,483</b>
	<hr/>	<hr/>	<hr/>

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

	Share capital £'000	Retained earnings £'000	Total equity £'000
<b>At 1 April 2021</b>	<b>1</b>	<b>34,175</b>	<b>34,176</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,900	2,900
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022</b>	<b>1</b>	<b>37,075</b>	<b>37,076</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 21 form part of these financial statements.



# GH Holdings 2 Limited

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

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### 1. General information

GH Holdings 2 Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity 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's accounting policies (see note 3).

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

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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- 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;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of GH Holdings 1 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 prepared the financial statements for the year ended 31 March 2023 on a going concern basis.

At the reporting date, the company had net current liabilities of £72,160,000 (2022: £74,567,000). The company's parent group has committed to provide support to ensure the company can meet its liabilities as they fall due and therefore the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

# **GH Holdings 2 Limited**

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

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### **2. Accounting policies (continued)**

#### **2.3 Going concern (continued)**

The company is part of a banking group with other group entities ('the banking group') and as such provides a limited guarantee to the £100.0m bank loan facility which has been fully drawn down by a subsidiary of the Company, Gleneagles Hotels Limited. The directors have reviewed cashflow forecasts for the group for the twelve months from the date of signing of these accounts, including the cash flow projections prepared by management for the development projects to which the company's subsidiaries are committed. The company's parent group has committed to provide funding for these development projects and the directors have received confirmation from the parent group that funding for these projects will be made available to the group to ensure it can meet its liabilities as they fall due. The directors have also received confirmation from the parent that the loan provided by the parent will not be recalled for a period of at least twelve months from the date of approval of these accounts.

The directors have modelled a range of scenarios, which show that the cash flows generated by the company will be sufficient to allow it to operate for a period of at least twelve months from the date of signing.

#### **2.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### **2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **2.6 Debtors**

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

#### **2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no more than 24 hours.

#### **2.8 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.

# **GH Holdings 2 Limited**

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

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### **2. Accounting policies (continued)**

#### **2.9 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### **2.10 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.

#### **2.11 Interest receivable**

Interest receivable is recognised in the statement of comprehensive income using the effective interest method.

#### **2.12 Interest payable**

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

## **GH Holdings 2 Limited**

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

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#### **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:

- *Impairment of investments in subsidiaries*

Determining whether the company's investments in its subsidiaries have been impaired requires estimations of the investments value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investments and a suitable discount rate in order to calculate the present value.

- *Recoverability of amounts due from group undertakings*

Provision for impairment of the carrying value of amounts due from group undertakings is made based on management's estimate of the prospect of recovering the amounts due, which includes considering the solvency of the counterparty and its future outlook, based on budgets and forecasts prepared by management. The directors are of the opinion that the amounts due from group undertakings are recoverable in full but based on accounting requirements a provision has been recognised for the balance in the current year in respect of these balances of £445,000 (2022 - £nil).

#### **4. Turnover**

The whole of the turnover is attributable to the provision of management services, all of which is carried out in the United Kingdom.

#### **5. Directors' remuneration**

The company has no employees during the year other than the directors, who did not receive any remuneration in the year (2022: £nil).

Directors' remuneration is borne by another group company.

#### **6. Auditor's remuneration**

In both the current and the prior year the auditor's remuneration has been borne by another group company.

## GH Holdings 2 Limited

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

#### 7. Interest receivable and similar income

	2023 £'000	2022 £'000
Interest receivable from group undertakings	3,277	2,934

#### 8. Interest payable and similar charges

	2023 £'000	2022 £'000
Interest payable to group undertakings	358	89

#### 9. Taxation

	2023 £'000	2022 £'000
<b>Corporation tax</b>		
Current tax on profit for the year	125	-
<b>Total current tax</b>	125	-

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.

#### Factors affecting tax charge for the year

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

	2023 £'000	2022 £'000
Profit on ordinary activities before tax	2,532	2,900
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	481	551
<b>Effects of:</b>		
Group relief receivable	(441)	(551)
Expenses not deductible for tax purpose	85	-
<b>Total tax expense for the year</b>	125	-

## GH Holdings 2 Limited

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

#### 10. Investments

	Investments in subsidiary Companies £'000
<b>Cost</b>	
At 1 April 2022 and 31 March 2023	141,643
<b>Impairment</b>	
At 1 April 2022 and 31 March 2023	30,000
<b>Net book value</b>	
At 1 April 2022 and 31 March 2023	111,643

#### *Subsidiary undertakings*

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Nature of business
Maison Estelle Limited	Ordinary	100%	Private club
Gleneagles Townhouse Edinburgh Limited	Ordinary	100%	Hospitality and tourism
Gleneagles Hotels Limited	Ordinary	100%	Hospitality and tourism
GH Easterton Farm Limited	Ordinary	100%	Development of property
Gleneagles Resort Developments Limited	Ordinary	100%	Building development and seasonal ownership

The registered office of Maison Estelle Limited is Third Floor, 20 Old Bailey, London, EC4M 7AN. The registered office of all other companies noted above is The Gleneagles Hotel, Auchterarder, PH3 1NF.

#### 11. Debtors

	2023 £'000	2022 £'000
<b>Due within one year</b>		
Amounts owed by group undertakings	88,419	81,695

Amounts owed by group undertakings due within one year are interest bearing at a fixed rate of 4%, are unsecured and repayable on demand.

# GH Holdings 2 Limited

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

### 12. Creditors: Amounts falling due within one year

	2023 £'000	2022 £'000
Amounts owed to group undertakings	160,006	155,798
Other amounts owed to group undertakings	473	473
Corporation tax	125	-
Other creditors	12	1
	<u>160,616</u>	<u>156,272</u>

Amounts owed to group undertakings are non-interest bearing, 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.

### 13. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
950 A Ordinary shares of £1 each	950	950
50 B Ordinary shares of £1 each	50	50
	<u>1,000</u>	<u>1,000</u>

As at 31 March 2023, 100% of the A Ordinary shares and B Ordinary shares are held by GH Holdings 1 Limited. The B Ordinary shares hold voting rights equivalent to 5% of the voting capital, but do not carry dividend rights. The rights of the B Ordinary shares are further set out in the Articles of Association of the company available from Companies House.

On 9 May 2023, the B Ordinary shares were converted to A Ordinary shares.

### 14. Reserves

#### Share capital

Share capital represents the nominal value of the shares issued.

#### Retained earnings

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

# GH Holdings 2 Limited

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

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### 15. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that 100% of the voting rights in these companies are controlled by the group.

At 31 March 2023 the company owed £149,529,000 (2022: £150,179,000) to GH Holdings 1 Limited, the parent company. This amount was included in amounts owed to group undertakings due within one year at 31 March 2023.

### 16. Contingent liabilities

The company provides a limited guarantee to a £100.0m (2022: £100.0m) bank loan facility taken out by a subsidiary of the company, Gleneagles Hotels Limited. The available loan facility was fully drawn down at both period ends.

### 17. Controlling party

The company is an immediate subsidiary undertaking of GH Holdings 1 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 of 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 of the company are consolidated is that headed by GH Holdings 1 Limited. The consolidated financial statements of GH Holdings 1 Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.