

Maison Estelle Limited

Annual Report and Financial Statements

Year Ended

31 March 2022

Company Number 10564926



Maison Estelle Limited

Company Information

Directors	S Pasricha L G Young D McCulloch E B Pasricha
Registered number	10564926
Registered office	Third Floor 20 Old Bailey London EC4M 7AN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Maison Estelle Limited

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Maison Estelle Limited

Strategic Report for the Year Ended 31 March 2022

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company during the year was the operation of a private members club in London, trading as "Maison Estelle". The club, located in Mayfair, London is set over eight floors and comprises of three restaurants, two internal bars, a nightclub and a terrace bar.

In the year ended 31 March 2022, turnover was £3,453,025 as the site opened for trade in October 2021. Operating loss increased by £6,466,901 to £7,462,670.

Business environment

The local competitive environment continues to evolve. A combination of existing and new operators means this is a very competitive marketplace, however the directors are confident about the competitive position of the club and believe our unique service style and delivery sets us apart from the other operators in the local area.

Strategy

The company has benefited from the initial execution of the company strategy, offering a unique members club, inspired by the local neighbourhood and the history of the building. The club offers unique experiences, an understated yet inviting environment across the building with a take on membership profile that sets us apart from the competition. Given the early success, the same strategy will be followed in the coming year, with ongoing focus on remaining ahead of our competition.

Research and development

The London private membership market is one that does not offer much in terms of market intelligence data. However, the data that is freely available is continuously used to benchmark pricing decisions on both membership and operations. An awareness of local hospitality 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

As the year ending March 2022 was our first year of trading, it is not possible to analyse through comparatives the impact Covid 19 had on trading. Whilst we would clearly be impacted by any government enforced closure of hospitality businesses, as has been seen in the past, the directors are confident in management's ability to ensure any downturn in revenue would be contained as much as realistically possible by effective operational cost control. This would include but not be limited to reducing staffing hours, freezing supplier contracts where possible and utilising any government assistance that may be available.

The business will continue to monitor any further outbreaks in order to mitigate the impact of COVID-19 on the business, with a view to maximising yields.

Principal risks and uncertainties

COVID-19

The directors have assessed the global coronavirus pandemic involving the spread of COVID-19 and the counter measures adopted by governments as they seek to mitigate the impact of the pandemic. The safety of our employees and guests are at the forefront of our response to the pandemic which includes a comprehensive plan to protect employees and guests. Whilst we cannot predict the future impact of Covid-19, management are satisfied that the business has enough levers to pull to mitigate said impact.

Maison Estelle Limited

Strategic Report for the Year Ended 31 March 2022

Legislative risks

Following the UK electorate voting in favour of the UK's exit from the European Union, the terms under which the UK and EU will trade were agreed on 24 December 2020. Whilst the UK's exit from the European Union does not directly impact trade levels for the business, there is a risk that travel to the UK and ability of employers to recruit from outside the EU may be adversely impacted. To the extent possible and at the appropriate time, the directors will take action to mitigate the impact on the business.

Inflationary risks

At time of writing, inflation (RPI) is at its highest level since 1990. Many of the key items that drive this inflationary pressure impact the business either directly or indirectly as suppliers pass these costs through to their customers. The rising cost of energy, raw food materials and fuel are closely monitored by the business and comprehensive plans are put in place by management to control these cost bases where possible.

Licensing & planning risks

Alcohol and tobacco sales are highly regulated within Westminster Council. The loss of a license would be highly detrimental on revenue and ultimately profitability of the operation.

The company operates a series of controls to ensure compliance with all rules and regulations within this area including working with licensing specialist advisers that regularly review procedures and monitor their performance.

Reputational risks

As an exclusive private members club, management understand the importance of retaining an unblemished reputation. As such the business constantly monitors all press coverage, including social media and implements effective controls in this area.

Key performance indicators

In line with our operating objectives, we use both financial and non-financial KPIs to measure performance against our primary objective of growing our business to create value for our shareholders. The key measurements used to assess progress against revenue objectives are membership volume, average spend and membership usage ratio. The directors continue to monitor this on a regular basis, and as this is the first year of trading, comparatives are not possible and as such these KPI's on their own are ineffective

Financial instruments

The company finances its operations through shareholder loans. There is no external bank financing secured against the company. 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 invested in sterling bank deposit accounts 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: 14 November 2022

Maison Estelle Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Results and dividends

The statement of comprehensive income is set out on page 9 and shows the loss for the year.

The loss for the year, after taxation, amounted to £9,069,636 (2021: £998,271).

No dividends were paid during the year (2021: £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 (appointed 20 September 2021 and resigned 1 October 2022)
E B Pasricha (appointed 20 September 2021)
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 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 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 year.

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

- select suitable accounting policies for the company's financial statements 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;
- 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.

Maison Estelle Limited

Directors' Report for the Year Ended 31 March 2022 (continued)

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 auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Going concern

The Directors have considered the funding requirements of the business for the next twelve months, including considering the ongoing impact of COVID-19. On the basis of their assessment, the company has been prepared on a going concern basis, as explained in note 2.3.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



.....
L G Young
Director

Date: 14 November 2022

Maison Estelle Limited

Independent Auditor's Report to the Members of Maison Estelle 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Maison Estelle Limited ("the company") (formerly Newco 13117 Limited) for the year to 31 March 2022 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 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. 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.

Maison Estelle Limited

Independent Auditor's Report to the Members of Maison Estelle Limited (continued)

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 2006 reporting

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Maison Estelle Limited

Independent Auditor's Report to the Members of Maison Estelle Limited (continued)

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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management and the directors, concerning the company's policies and procedures for:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- discussing among the engagement team, how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud through management override of controls including bias in the judgements and estimates in relation to the capitalisation of tangible assets;
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The laws and regulations we considered in this context included the Companies Act 2006, UK Generally Accepted Accounting Principles, and relevant tax and employment legislation.

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Independent Auditor's Report to the Members of Maison Estelle Limited (continued)

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with the relevant laws and regulations noted above;
- enquiring of management and the directors as to whether there were instances of actual and potential litigation and claims against the Company which would indicate non-compliance with laws and regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- addressing the risk of fraud through management override of controls by, testing the appropriateness of journal entries; assessing and challenging the judgements and estimates made by management and the directors in relation to the carrying value of the Company's investments; 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.

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: 18 November 2022

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

Maison Estelle Limited

Statement of Comprehensive Income for the Year Ended 31 March 2022

	Notes	2022 £	2021 £
Turnover		3,453,025	-
Cost of sales		(6,165,091)	-
Gross loss		(2,712,066)	-
Administrative expenses		(4,750,604)	(995,769)
Operating loss	5	(7,462,670)	(995,769)
Exchange losses		(5,782)	-
Interest payable and similar charges	8	(848,935)	-
Loss before tax		(8,317,387)	(995,769)
Tax on loss	9	(752,249)	(2,502)
Loss for the financial year		(9,069,636)	(998,271)

All amounts relate to continuing operations.

There was no other comprehensive income for the year ended 31 March 2022 (2021: £nil).

The notes on pages 12 to 21 form part of these financial statements.

Maison Estelle Limited

Registered number: 10564926

**Statement of Financial Position
as at 31 March 2022**

	Notes	31 March 2022 £	31 March 2021 £
Fixed assets			
Tangible assets	10	38,400,703	34,701,327
Current assets			
Debtors: amounts falling due after more than one year	12	1,346,550	1,346,550
Debtors: amounts falling due within one year	12	802,026	1,470,831
Stocks	11	479,334	-
Cash and cash equivalents		1,824,010	502,115
		<u>4,451,920</u>	<u>3,319,496</u>
Creditors: amounts falling due within one year	13	(48,861,044)	(35,786,451)
Net current liabilities		(44,409,124)	(32,466,955)
Total assets less current liabilities		(6,008,421)	2,234,372
Creditors: amounts falling due after more than one year	14	(3,682,273)	(3,607,679)
Provisions for liabilities			
Deferred tax	15	(856,613)	(104,364)
Net liabilities		(10,547,307)	(1,477,671)
Capital and reserves			
Share capital	16	1	1
Accumulated losses	17	(10,547,308)	(1,477,672)
		<u>(10,547,307)</u>	<u>(1,477,671)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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



.....
L G Young

Director

Date: 14 November 2022

The notes on pages 12 to 21 form part of these financial statements.

Maison Estelle Limited

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

	Share capital £	Accumulated losses £	Total equity £
At 1 April 2021	1	(1,477,672)	(1,477,671)
Comprehensive loss for the year			
Loss for the year	-	(9,069,636)	(9,069,636)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	1	(10,547,308)	(10,547,307)
	<hr/>	<hr/>	<hr/>

Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Accumulated losses £	Total equity £
At 1 April 2020	1	(479,401)	(479,400)
Comprehensive loss for the year			
Loss for the year	-	(998,271)	(998,271)
	<hr/>	<hr/>	<hr/>
At 31 March 2021	1	(1,477,672)	(1,477,671)
	<hr/>	<hr/>	<hr/>

The notes on pages 12 to 21 form part of these financial statements.

Maison Estelle Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1. General information

Maison Estelle Limited (formerly Newco 13117 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 operation and principal activity are set out in the directors' 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's functional and presentational currency is Pound Sterling rounded to the nearest thousand.

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 2022 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 2022 on a going concern basis.

The company is developing a property and is reliant on funding indirectly received from its parent company, GH Holdings 1, in order to fund this development. The directors have reviewed the cashflow projections prepared by management for the company's development project.

Maison Estelle Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

2. Accounting policies (continued)

2.3 Going concern (continued)

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.

On this basis the directors have concluded it is appropriate to prepare the financial statements on a going concern basis. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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. 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 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. Interest payable is allocated to the cost of assets under construction until the date the site opened for trade.

Land and assets in the course of construction are not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land	- Nil
Buildings	- 16 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.

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Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 Debtors

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

2.9 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.

Maison Estelle Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Interest payable

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

2.13 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term. Rental costs are allocated to the cost of assets under construction until the date the site opened for trade.

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 fixed assets. 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.

4. Analysis of turnover

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets (note 10)	1,366,242	-
Defined contribution pension cost (note 7)	36,694	-
Other operating lease rentals	2,599	-

During the year, no director received any emoluments (2021: £nil). All directors' emoluments are borne by another group company.

Maison Estelle Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor for the audit of the company's annual accounts	22,083	-

Non audit fees are disclosed in the consolidated financial statements of another group company.

7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	3,159,962	-
Social security costs	313,070	-
Cost of defined contribution scheme	36,694	-
	3,509,726	-

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

	2022 Number	2021 Number
Full time	81	4
Part time	4	-
	85	4

8. Interest payable and similar expenses

	2022 £	2021 £
Interest payable on loans from group undertakings	848,935	-

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Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

9. Taxation

	2022 £	2021 £
Corporation tax		
Group taxation relief	-	-
Adjustment in respect of prior periods	-	(10,039)
	<u>-</u>	<u>(10,039)</u>
	-	(10,039)
	<u>-</u>	<u>(10,039)</u>
Deferred tax		
Origination and reversal of timing differences	719,293	12,541
Effect of tax rate change on opening balance	32,956	-
	<u>752,249</u>	<u>12,541</u>
	752,249	12,541
	<u>752,249</u>	<u>12,541</u>
	752,249	2,502
	<u>752,249</u>	<u>2,502</u>

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 expense for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%), as set out below:

	2022 £	2021 £
Loss on ordinary activities before tax	(8,317,387)	(995,769)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,580,304)	(189,196)
Effects of:		
Fixed asset differences	372,554	-
Other permanent differences	1,468,001	-
Adjustment to tax in respect of prior periods	-	(10,039)
Deferred tax not recognised	466,130	201,737
Adjustment to deferred tax due to changes in tax rates	25,868	-
	<u>752,249</u>	<u>2,502</u>
Total tax expense for the year	<u>752,249</u>	<u>2,502</u>

A deferred tax asset has not been recognised on pre-trading expenditure of £1,474,718 (2021: £1,474,718) due to uncertainty of timing of when future taxable profits will be available against which the company can use the benefits thereon.

Maison Estelle Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

10. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Office equipment £	Assets under construction £	Total £
Cost					
At 1 April 2021	-	-	-	34,701,327	34,701,327
Additions	4,165,387	579,209	321,022	-	5,065,618
Transfers	34,381,739	60,921	258,667	(34,701,327)	-
At 31 March 2022	38,547,126	640,130	579,689	-	39,766,945
Depreciation					
At 1 April 2021	-	-	-	-	-
Charge for the year	1,168,840	113,281	84,121	-	1,366,242
At 31 March 2022	1,168,840	113,281	84,121	-	1,366,242
Net book value					
At 31 March 2022	37,378,286	526,849	495,568	-	38,400,703
At 31 March 2021	-	-	-	34,701,327	34,701,327

During the year, interest costs of £Nil (2021: £797,801) were capitalised into the value of the asset under construction.

11. Stocks

	2022 £	2021 £
Raw materials	1,284	-
Finished goods	478,050	-
	479,334	-

Maison Estelle Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

12. Debtors

	2022 £	2021 £
Due after more than one year:		
Other debtors	1,346,550	1,346,550
Due within one year:		
Trade debtors	544,524	-
Amounts owed by group undertakings	101,862	91,823
Other debtors	155,640	1,368,969
Corporation tax recoverable	-	10,039
	802,026	1,470,831

Other debtors falling due after more than one year relate to lease deposits.

All amounts owed by group undertakings are non-interest bearing, unsecured and repayable on demand.

13 Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	528,167	2,495
Other taxation and social security	265,851	-
VAT creditor	171,534	-
Other creditors	83,375	-
Amounts owed to group undertakings	45,332,748	34,468,855
Accruals and deferred income	2,479,369	1,315,101
	48,861,044	35,786,451

Amounts owed to group undertakings are interest bearing, at a fixed interest rate of 4%, unsecured and fall due within one year. Interest arising on this loan balance is capitalised into the value of the asset under construction.

14. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Accruals and deferred income	3,682,273	3,607,679

Accruals relate to unamortised lease incentives.

Maison Estelle Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

15. Deferred taxation

	2022 £	2021 £
At beginning of year	104,364	91,823
Charged to statement of comprehensive income	752,249	12,541
	<u>856,613</u>	<u>104,364</u>
At end of year	856,613	104,364
The provision for deferred taxation is made up as follows:		
Fixed asset timing differences	855,147	104,364
Effect of tax change on opening balance	1,466	-
	<u>856,613</u>	<u>104,364</u>

16. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

17. 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.

18. Capital commitments

At 31 March 2022, the company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	-	4,132,823
	<u>-</u>	<u>4,132,823</u>

Maison Estelle Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2022

19. Commitments under operating leases

At 31 March 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	1,679,637	1,388,906
Later than 1 year and not later than 5 years	10,908,733	8,723,616
Later than 5 years	10,604,025	14,944,693
	<u>23,192,395</u>	<u>25,057,215</u>

20. 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 2022, the company owed EH Hotel 2018 Limited, a fellow group subsidiary £nil in respect of expense recharges (2021: £1,971). These amounts are included in trade creditors.

The company is related to Ennismore International Management Limited ('Ennismore') by virtue of the fact that Ennismore was controlled by a director of the company during the year. During the year, Ennismore charged the company £320,583 (2021: £732,466) in respect of development and design services and £334,145 in respect of expense recharges (2021: £389,469). At 31 March 2022, the company owed £nil (2021: £nil) in respect of these transactions.

21. Controlling party

The company is a subsidiary undertaking of GH Holdings 2 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 GH Holdings 1 Limited, a company registered in England and Wales. The consolidated accounts of GH Holdings 1 Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.