

## **Newco UK 2017 Limited**

Annual Report and Financial Statements

Period Ended

31 March 2020

Company Number 10831082



# Newco UK 2017 Limited

## Company Information

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<b>Directors</b>	S Pasricha L G Young
<b>Registered number</b>	10831082
<b>Registered office</b>	Third Floor 20 Old Bailey London EC4M 7AN
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# Newco UK 2017 Limited

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# **Newco UK 2017 Limited**

## **Directors' Report for the Period Ended 31 March 2020**

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The directors present their report and the financial statements for the period ended 31 March 2020.

### **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 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 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

### **Principal activity**

The principal activity of the company was that of a holding company.

### **Directors**

The directors who served during the period were:

S Pasricha  
L G Young  
D G Caldecott (appointed on 18 June 2019 and resigned on 20 March 2020)

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

### **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.

# **Newco UK 2017 Limited**

## **Directors' Report (continued) for the Period Ended 31 March 2020**

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### **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.



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**L G Young**  
Director

Date: 29 March 2021

# **Newco UK 2017 Limited**

## **Independent Auditor's Report to the Members of Newco UK 2017 Limited**

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### **Opinion**

We have audited the financial statements of Newco UK 2017 Limited (the 'company') for the 15 month period to 31 March 2020 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the period 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.

### **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.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# Newco UK 2017 Limited

## Independent Auditor's Report to the Members of Newco UK 2017 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.

In connection with our audit of the financial statements, 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial period 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.

### Matters on which we are required to report by exception

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 director's 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.

# Newco UK 2017 Limited

## Independent Auditor's Report to the Members of Newco UK 2017 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 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.

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.



**Mark RA Edwards** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 30 March 2021

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

# Newco UK 2017 Limited

## Statement of Comprehensive Income for the period ended 31 March 2020

	Note	15 months ended 31 March 2020 £	Year ended 31 December 2018 £
Administrative expenses		(1,377)	-
<b>Operating loss</b>		<b>(1,377)</b>	<b>-</b>
Foreign exchange losses	6	(286,014)	(500,191)
Interest receivable and similar income	7	535,003	377,307
Interest payable and similar charges	8	(1,007,695)	(744,025)
<b>Loss before tax</b>		<b>(760,083)</b>	<b>(866,909)</b>
Tax on loss	9	144,416	164,713
<b>Loss for the financial period</b>		<b>(615,667)</b>	<b>(702,196)</b>

All amounts relate to continuing operations.

There was no other comprehensive income for the period ending 31 March 2020 (31 December 2018 - £nil).

The notes on pages 9 to 16 form part of these financial statements.

# Newco UK 2017 Limited

Registered number: 10831082

## Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £	31 December 2018 £
<b>Fixed assets</b>			
Investments	10	8,523,877	8,523,877
<b>Current assets</b>			
Debtors	11	11,911,477	10,705,877
Cash at bank in hand		1,176	1,037
		<u>11,912,653</u>	<u>10,706,914</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(21,753,393)</u>	<u>(19,931,987)</u>
<b>Net current liabilities</b>		<u>(9,840,740)</u>	<u>(9,225,073)</u>
<b>Net liabilities</b>		<u>(1,316,863)</u>	<u>(701,196)</u>
<b>Capital and reserves</b>			
Share capital	13	1,000	1,000
Accumulated losses	14	<u>(1,317,863)</u>	<u>(702,196)</u>
		<u>(1,316,863)</u>	<u>(701,196)</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: 29 March 2021

The notes on pages 9 to 16 form part of these financial statements.

# Newco UK 2017 Limited

## Statement of Changes in Equity for the Period Ended 31 March 2020

	Share capital £	Accumulated losses £	Total equity £
<b>At 1 January 2019</b>	1,000	(702,196)	(701,196)
<b>Comprehensive loss for the period</b>			
Loss for the period	-	(615,667)	(615,667)
<b>At 31 March 2020</b>	1,000	(1,317,863)	(1,316,863)

## Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Accumulated losses £	Total equity £
<b>At 1 January 2018</b>	1,000	-	1,000
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(702,196)	(702,196)
<b>At 31 December 2018</b>	1,000	(702,196)	(701,196)

The notes on pages 9 to 16 form part of these financial statements.

# Newco UK 2017 Limited

## Notes to the Financial Statements for the Period Ended 31 March 2020

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### 1. General information

Newco UK 2017 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 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 ("FRS 102") 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Norlake Hospitality Limited as at 31 March 2020 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

#### 2.3 Going concern

At the reporting date, the company had net current liabilities of £9,840,740 (31 December 2018 - £9,225,073). The company's parent group has committed to provide support to ensure the company can meet its liabilities as they fall due. The directors have considered the ability and willingness of the parent group to provide continued support to the company and have concluded they are satisfied it is appropriate to prepare the accounts on a going concern basis.

# **Newco UK 2017 Limited**

## **Notes to the Financial Statements for the Period Ended 31 March 2020**

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

#### **2.4 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **2.5 Debtors**

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

#### **2.6 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.

#### **2.7 Creditors**

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

#### **2.8 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is Pound Sterling.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

# **Newco UK 2017 Limited**

## **Notes to the Financial Statements for the Period Ended 31 March 2020**

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

#### **2.9 Current and deferred taxation**

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.

#### **2.10 Interest receivable**

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

#### **2.11 Interest payable**

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

#### **2.12 Reporting period**

The financial statements are prepared for the period 1 January 2019 to 31 March 2020, a fifteen month period. The period was extended in order to achieve a co-terminus period end with its parent company. The comparative amounts presented in the financial statements (including related notes) are therefore not entirely comparable.

# Newco UK 2017 Limited

## Notes to the Financial Statements for the Period Ended 31 March 2020

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

Other key sources of estimation uncertainty:

- *Impairment of investments in subsidiaries*

Determining whether or not the company's investments in its subsidiaries have been impaired requires estimations of the value in use of the investments. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate the present value. The carrying amount of investments in subsidiaries at the reporting date was £8,523,877 (31 December 2018 - £8,523,877) with no impairment loss recognised in the current period in respect of these balances (31 December 2018 - £nil).

- *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 and on this basis no impairment has been recognised in the current period in respect of these balances (31 December 2018 - £nil).

### 4. Directors' remuneration

The company has no employees other than the directors, who did not receive any remuneration (31 December 2018 - £nil).

Director's remuneration is borne by another group company.

### 5. Auditor's remuneration

Auditor's remuneration is borne by another group company.

### 6. Exchange losses

	15 months ended 31 March 2020 £	Year ended 31 December 2018 £
Exchange losses on balance with group undertakings	286,014	500,191

### 7. Interest receivable and similar income

	15 months ended 31 March 2020 £	Year ended 31 December 2018 £
Interest receivable from group undertakings	535,003	377,307

# Newco UK 2017 Limited

## Notes to the Financial Statements for the Period Ended 31 March 2020

### 8. Interest payable and similar charges

	15 months ended 31 March 2020 £	Year ended 31 December 2018 £
Interest payable to group undertakings	1,007,695	744,025

### 9. Taxation

	15 months ended 31 March 2020 £	Year ended 31 December 2018 £
<b>Corporation tax</b>		
Group taxation relief	(144,416)	(164,713)
<b>Total current tax</b>	<b>(144,416)</b>	<b>(164,713)</b>

#### Factors affecting tax credit for the period

The tax assessed for the period is the same as (31 December 2018 - the same as) the standard rate of corporation tax in the UK of 19.00% (31 December 2018 - 19.00%), as set out below:

	15 months ended 31 March 2020 £	Year ended 31 December 2018 £
Loss on ordinary activities before tax	(760,083)	(866,909)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (31 December 2018 – 19.00%)	(144,416)	(164,713)
<b>Effects of:</b>		
Group relief surrendered	144,416	164,713
Receipt for group relief	(144,416)	(164,713)
<b>Total tax credit for the period</b>	<b>(144,416)</b>	<b>(164,713)</b>

# Newco UK 2017 Limited

## Notes to the Financial Statements for the Period Ended 31 March 2020

### 10. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 31 December 2018 and 31 March 2020	<b>8,523,877</b>
<b>Net book value</b>	
At 31 December 2018 and 31 March 2020	<b>8,523,877</b>

The company owns 100% of the member units of Newco 2017 LLC, the principal activity of which is currently property ownership. Newco 2017 LLC is incorporated in the United States of America and the address of the registered office is: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA.

### 11. Debtors

	31 March 2020 £	31 December 2018 £
Amounts owed by group companies	<b>11,602,348</b>	10,541,164
Other amounts owed by group undertakings	<b>309,129</b>	164,713
	<b>11,911,477</b>	10,705,877

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

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

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

	31 March 2020 £	31 December 2018 £
Amounts owed to group undertakings	<b>21,753,393</b>	19,931,987

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

# Newco UK 2017 Limited

## Notes to the Financial Statements for the Period Ended 31 March 2020

### 13. Share capital

	31 March 2020 £	31 December 2018 £
<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 2020, 100% of the A Ordinary shares representing 95% of the ordinary share capital is held by Norlake Hospitality Limited. The remaining 5% of the ordinary share capital is represented by B Ordinary shares issued to a related party. 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.

### 14. 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.

### 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 2020, the company owed £21,753,393 (31 December 2018 - £19,931,987) to Norlake Hospitality Limited, the parent company. This amount was included within amounts owed to group undertakings due within one year at 31 March 2020. Interest of £1,007,695 (31 December 2018 - £744,025) was charged on this balance during the period.

At 31 March 2020, the company was due £144,416 (31 December 2018 - £164,713) from Norlake Hospitality Limited, the parent company. This amount is included within the other amounts owed by group undertakings due within one year at 31 March 2020.

At 31 March 2020, the company was due £164,713 (31 December 2018 - £nil) from The Hoxton (Shoreditch) Limited, a fellow subsidiary. This amount is included within the other amounts owed by group undertakings due within one year at 31 March 2020.

# **Newco UK 2017 Limited**

## **Notes to the Financial Statements for the Period Ended 31 March 2020**

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### **16. Controlling party**

The company is an immediate subsidiary undertaking of Norlake Hospitality 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 disclosure.

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 Norlake Hospitality Limited, a company registered in England and Wales. The consolidated accounts of Norlake Hospitality Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ