

Newco NHL UK (17) Limited

Annual Report and Financial Statements

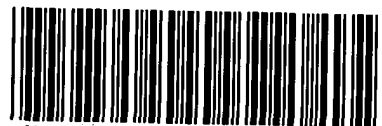
Year Ended

31 March 2023

Company Number 10842704

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Newco NHL UK (17) Limited

Company Information

Directors	S Pasricha S B Mittal P Surana H Roy
Registered number	10842704
Registered office	Third Floor 20 Old Bailey London EC4M 7AN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Newco NHL UK (17) Limited

Contents

	Page
Group strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 10
Consolidated statement of comprehensive income	11
Consolidated statement of financial position	12
Company statement of financial position	13
Consolidated statement of changes in equity	14 - 15
Company statement of changes in equity	16
Consolidated statement of cash flows	17
Notes to the financial statements	18 - 37

Newco NHL UK (17) Limited

Group Strategic Report for the Year ended 31 March 2023

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

Introduction

Newco NHL UK (17) Limited ('the company') was incorporated on 29 June 2017 as a wholly owned subsidiary of Norlake Hospitality Limited. The Norlake group is headed by Norlake Hospitality Limited and comprises subsidiaries operating hotels in the UK, Europe and the USA.

Principal activities

The company acts as a holding company and provides financing to its subsidiaries. The company holds investments directly in UK operating subsidiaries, and also holds indirect investments, via UK holding companies, of two European operating subsidiaries and one US operating subsidiary (together 'the group'). The principal activity of the company's operating subsidiaries is the operation of hotels.

The group's operating hotels trade as 'The Hoxton Shoreditch', 'The Hoxton Holborn', and 'The Hoxton Williamsburg' and comprise 605 bedrooms, as well as 19 meeting rooms, 6 bars and restaurants. The Hoxton (Amsterdam) B.V. and The Hoxton (Paris) SAS were sold during the year.

The company has an external debt facility which is secured on the property, assets and undertakings of its subsidiaries. The directors have considered the loan facility that was in place at the balance sheet date, which is due for either extension or repayment in December 2023. The loan facility allows for the group to renew this facility on the same terms for a further 12 months subject to satisfaction of the covenants which have been met during the period to date and are forecast to up to the point of renewal.

Performance summary

In the year ended 31 March 2023, the group's turnover increased by £37.9m to £86.2m with the increase primarily due to the ending of COVID-19 restrictions. Operating profit increased by £14m to £18.9m mainly due to hotels being fully operational (prior year operations were impacted by COVID including enforced closures). Our hotels have shown significant increase in performance compared to pre-COVID levels during the current year enhancing the overall performance.

Financial highlights

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

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

Operational highlights

The group's operating hotels have responded well to continued development of their local competitive environments, ensuring that they constantly evolve with the area in which they are based.

Strategy

The group has benefited from the continued execution of the business's strategy, which is to build and operate hotels offering a unique guest experience, inspired by the local neighbourhood where each hotel is based.

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

Newco NHL UK (17) Limited

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

Future outlook

Trade across the group hotels has started positively during financial year 2023-24, with performance exceeding in comparison of prior year. This positions the group well towards achieving its financial year 2023-24 performance targets.

Principal risks and uncertainties

Economic

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

Competition

The local competitive environments surrounding each hotel continues to evolve. Market intelligence provides data about local markets to benchmark pricing decisions. An awareness of local hospitality and office developments, and planning applications for proposed developments, continues to be key to the directors' understanding of how trading may be affected by changes in the competitive environments. The directors are confident about the competitive position of the group's hotels in this changing marketplace.

The directors are confident that the quality of the product, the location of the group's hotels and the level of customer service will be a competitive advantage and create an opportunity to increase market share.

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. 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.

Financial risk management

Interest rate risk

At 31 March 2023, the group has drawn down variable rate shareholder and bank loans. No interest rate hedge is in place.

Liquidity risk

The management team's objectives are to retain sufficient liquid funds to enable the group to meet its day to day obligations as they fall due.

Foreign exchange risk

Although the functional currency of the Group is Sterling, the Group's operating cashflows are transacted in Sterling, Euro and US Dollar. At 31 March 2023, the Group has drawn down external bank loans in Sterling, Euro and US Dollar to ensure that the interest costs arise in currencies that reflect the operating cash flows, thereby minimising net cashflows in foreign currencies. Hedge accounting is not used by the group.

Section 172 report

Stakeholder engagement is an important area of focus for Newco NHL UK (17) Limited and its subsidiaries (the "Group"). We ensure that we have open communication with our various stakeholder groups. We use information gained through these relationships to make informed judgements when making key decisions.

Newco NHL UK (17) Limited

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

Section 172 report (continued)

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 directors also take 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.

Workforce engagement

The group employed on average 389 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.

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. 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 internal and external channels whereby any employee can ask a question of the senior leadership team anonymously, which are regularly reviewed and answered.

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 Report and Financial Statements 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 significant due diligence on our suppliers, and we have 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.

Newco NHL UK (17) Limited

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

Section 172 report (continued)

Community engagement

The Group has continued its 'Do More' programme, which allows our employees to engage in charitable projects and activities that aim to extend our hospitality to those who cannot access or afford it. In the cities where we

operate, our employees volunteer and fundraise for local charities that impact the neighbourhoods.

The Group continues to prioritise the local community. From the artwork in our lobbies to the wallpaper and furnishing in our bedrooms, the uniforms our team wear and the events programmes we curate, we strive to be an authentic reflection of our neighbourhoods, whilst supporting the communities around us. By rooting deep within the community, we aim to be a focal point of the local areas for many years to come.

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 operate a 'Surprise & Delight' project where we learn about and cater to our guests needs to exceed their expectations. The continued happiness and welfare of our guests is of the utmost importance and therefore all staff are encouraged to engage with the guests throughout their stay to provide a personalised service, as well as following up on feedback, whether directly or via booking sites. We ensure our offering remains up to date and attractive to customers, with a continuing process of refurbishment and renewal throughout the hotel.

We aim to increase the amount of repeat business by growing long term brand loyalty. We expect this to grow exponentially over the coming years as we look to open more hotels.

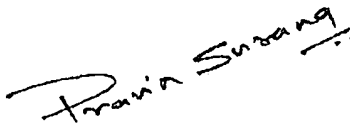
Lender engagement

There is regular communication with the lenders to discuss business performance, the market and any current issues. Additionally, lenders are reported to on a quarterly basis, to update on the performance of the relevant hotels.

Environment

The group is committed to reducing its environmental impact. We have already removed plastic straws and water bottles from use and are looking to eliminate single use plastic from all areas of our hotels. A carbon audit is currently being undertaken across all hotels to assess our environmental impact and develop an action plan.

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


.....
P Surana
Director

Date: 30 October 2023

Newco NHL UK (17) Limited

Directors' Report for the Year ended 31 March 2023

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

Results and dividends

The profit for the year, after taxation, amounted to £95.8m (2022: loss of £11.8m).

The directors have not recommended a dividend (2022: £nil).

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 Renaut (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 group strategic report, the directors' report and the consolidated 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 group and the company and of the profit or loss of the group and company for that year.

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

- select suitable accounting policies for the group'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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and 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 group and 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 - 4. These matters relate to the principal risks to which the company is exposed and future developments.

Newco NHL UK (17) Limited

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

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company and the group'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 and the group's auditor is aware of that information.

Going concern

The directors have considered the funding requirements of the business for the next twelve months.

The group has received written support from its parent company, with whom it has a loan, whereby repayment of the loan will not be required for a period of at least twelve months unless the group is able to repay them. On the basis of their assessment, the group has been prepared on a going concern basis.

The directors have considered the loan facility agreement that was in place at the balance sheet date, which is due for either extension or repayment in December 2023. The loan facility allows for the group to renew this facility on the same terms for a further 12 months subject to satisfaction of the covenants which have been met during the period to date and are forecast to up to the point of renewal.

The directors have assessed the covenants in place on the new and renewed loan facilities and believe, based on the forecasts and expectations of the group that these can be met. If such a situation arose, then the company has an option to cure any potential breach of covenant before it became an event of default. The committed facilities which the Company has secured from the parent group would allow the Company every likelihood of curing any such potential breach.

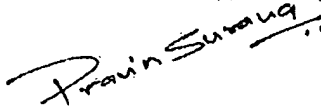
Directors are confident that this refinancing of the existing debt provides comfort in their assessment of going concern.

Having made appropriate enquiries, and taking into account the confirmations above, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Therefore, the directors have concluded it is appropriate to prepare the financial statements on a going concern basis.

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.

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



.....
P Surana
Director

Date: 30 October 2023

Newco NHL UK (17) Limited

Independent Auditor's report to the members of Newco NHL UK (17) Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's 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 Newco NHL UK (17) Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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 Group or Parent 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.

Newco NHL UK (17) Limited

Independent Auditor's report to the members of Newco NHL UK (17) Limited

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Newco NHL UK (17) Limited

Independent Auditor's report to the members of Newco NHL UK (17) Limited

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 Group and the Parent Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Group's and the Parent 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; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's and the Parent 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 and improper revenue recognition.

Newco NHL UK (17) Limited

Independent Auditor's report to the members of Newco NHL UK (17) Limited

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

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 Group and the Parent Company; and
- 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 who were all deemed to have appropriate competence and capabilities 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 is available on 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 Parent 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 Parent 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 Parent Company and the Parent 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).

Newco NHL UK (17) Limited

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

	Note	2023 £'000	2022 £'000
Turnover	4	86,248	48,386
Cost of sales		(35,280)	(24,014)
Gross profit		50,968	24,372
Administrative expenses		(32,131)	(23,598)
Other income	5	14	4,044
Operating profit	6	18,851	4,818
Interest receivable and similar income	9	59	-
Interest payable and similar charges	10	(17,650)	(15,347)
Profit on disposal of investment	11	96,000	-
Profit/(loss) before taxation		97,260	(10,529)
Tax charge on profit/(loss)	12	(1,481)	(1,221)
Profit/(loss) for the financial year		95,779	(11,750)
Currency translation differences		1,919	(577)
Other comprehensive profit/(loss) for the year		1,919	(577)
Total comprehensive profit/(loss) for the year		97,698	(12,327)

All amounts relate to continuing operations.

The notes on pages 18 to 37 form part of these financial statements.

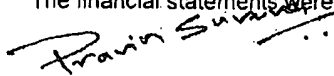
Newco NHL UK (17) Limited

Registered number: 10842704


Consolidated Statement of Financial Position as at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	13	711	877
Tangible assets	14	202,335	294,874
Long term deposits	16	7,007	5,189
		210,053	300,940
Current assets			
Stocks	17	656	637
Debtors	18	20,988	9,718
Cash and cash equivalents		5,021	11,154
		26,665	21,509
Creditors: amounts falling due within one year	19	(224,497)	(263,257)
Net current liabilities		(197,832)	(241,748)
Total assets less current liabilities		12,221	59,192
Creditors: amounts falling due after more than one year	20	(1,257)	(176,022)
Deferred taxation	22	(11,949)	(16,344)
Net liabilities		(985)	(133,174)
Capital and reserves			
Share capital	23	57,380	57,380
Foreign exchange reserve	24	5,533	3,614
Merger reserve	24	(71,825)	(106,316)
Retained earnings/(accumulated losses)	24	7,927	(87,852)
		(985)	(133,174)

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 18 to 37 form part of these financial statements.

Newco NHL UK (17) Limited

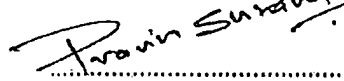
Registered number: 10842704

Company Statement of Financial Position as at 31 March 2023


	Note	2023 £'000	2022 £'000
Fixed assets			
Investments	15	142,936	234,083
Long term deposits	16	7,007	5,189
		149,943	239,272
Current assets			
Debtors	18	119,449	184,388
Cash and cash equivalents		380	3,546
		119,829	187,934
Creditors: amounts falling due within one year	19	(180,239)	(211,469)
Net current liabilities		(60,410)	(23,535)
Total assets less current liabilities		89,533	215,737
Creditors: amounts falling due after more than one year	20	-	(175,039)
Net assets		89,533	40,698
Capital and reserves			
Share capital	23	57,380	57,380
Retained earnings/(accumulated losses)	24	32,153	(16,682)
		89,533	40,698

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the company for the year was £48,835,000 (2022: £7,550,000 loss).

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 18 to 37 form part of these financial statements.

Newco NHL UK (17) Limited

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

	Share Capital	Foreign Exchange Reserve	Merger reserve	Accumulated loss/retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	57,380	3,614	(106,316)	(87,852)	(133,174)
Comprehensive profit for the year					
Profit for the year	-	-	-	95,779	95,779
Currency translation differences	-	1,919	-	-	1,919
Credit on disposal of indirect subsidiary undertakings	-	-	34,491	-	34,491
At 31 March 2023	57,380	5,533	(71,825)	7,927	(985)

The notes on pages 18 to 37 form part of these financial statements.

Newco NHL UK (17) Limited

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

	Share Capital £'000	Foreign Exchange Reserve £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 April 2021	57,380	4,191	(106,316)	(76,102)	(120,847)
Comprehensive loss for the year					
Loss for the year	-	-	-	(11,750)	(11,750)
Currency translation differences	-	(577)	-	-	(577)
At 31 March 2022	57,380	3,614	(106,316)	(87,852)	(133,174)

The notes on pages 18 to 37 form part of these financial statements.

Newco NHL UK (17) Limited

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

	Share capital £'000	(Accumulated loss)/retained earnings £'000	Total equity £'000
At 1 April 2022	57,380	(16,682)	40,698
Comprehensive profit for the year			
Profit for the year	-	48,835	48,835
At 31 March 2023	57,380	32,153	89,533

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

	Share capital £'000	Accumulated loss £'000	Total equity £'000
At 1 April 2021	57,380	(9,132)	48,248
Comprehensive loss for the year			
Loss for the year	-	(7,550)	(7,550)
At 31 March 2022	57,380	(16,682)	40,698

The notes on pages 18 to 37 form part of these financial statements.

Newco NHL UK (17) Limited

Consolidated Statement of Cash Flows for the Year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Profit/(loss) for the financial year		95,779	(11,750)
Adjustments for:			
Interest credited to income statement	9	(59)	-
Interest charged to income statement	10	17,502	15,347
Profit on disposal of investment	11	(96,000)	-
Taxation charged to income statement	12	1,481	1,221
Amortisation of intangible fixed assets	13	165	207
Depreciation of tangible fixed assets	14	4,677	9,290
Exchange losses		148	-
Loss on disposal of tangible fixed assets	6	21	121
(Increase) in stocks		(19)	(199)
(Increase) in debtors		(3,493)	(2,868)
Increase in creditors		7,350	6,224
Net cash generated from operating activities		27,552	17,593
Cash flows from investing activities			
Interest received	9	59	-
Purchase of tangible fixed assets	14	(3,437)	-
Proceeds on disposal of tangible fixed assets		375	-
Change in long term deposits	16	(1,818)	(2,730)
Proceeds from disposal of investment adjusted for cash in hand	11	164,476	-
Tax paid		(170)	-
Net cash generated from/(used in) Investing activities		159,485	(2,730)
Cash flows from financing activities			
Loan arrangement fee		(376)	(957)
Repayment of bank loans		(47,637)	(48,013)
New loans from group companies		19,070	51,354
Loans from group companies repaid		(203,462)	(4,439)
New loans/(repayment) of other loans		274	(1,195)
Interest paid		(10,660)	(3,888)
Loans repaid by third party		49,444	-
Net cash (used in) financing activities		(193,347)	(7,138)
Net increase/(decrease) in cash and cash equivalents		(6,310)	7,725
Cash and cash equivalents at beginning of year		11,154	3,328
Movement on foreign exchange		177	101
Cash and cash equivalents at end of year		5,021	11,154

The notes on pages 18 to 37 form part of these financial statements.

Newco NHL UK (17) Limited

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

1. General information

Newco NHL UK (17) 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 group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. In addition, the company have not presented a statement of cash flows as permitted by FRS 102.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Norlake Hospitality Limited as at 31 March 2023 and these financial statements may be obtained from Companies House.

2.3 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

In the consolidated financial statements, merged subsidiary undertakings are treated as if they have always been a member of the group. The results of such a subsidiary are included for the whole period in the financial period that it joins the group. The corresponding figures for the previous year include its results for that period, the assets and liabilities at the previous statement of financial position date and the shares issued by the company as consideration as if they had always been in issue.

Newco NHL UK (17) Limited

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

2. Accounting policies (continued)

2.4 Going concern

In assessing the basis of preparation, the directors have considered the fact that there are committed facilities in place from the parent group which will allow the group to ensure it can cover any potential operating cash shortfalls which may arise, but which are not forecast. While this facility is repayable on demand, the directors have received confirmation from its immediate parent company, Norlake Hospitality Limited, that the intercompany loan provided to the company will not be recalled for a period of at least 12 months from the date of approval of these financial statements, unless the group is able to repay them.

The existing loan facility that was in place at the balance sheet date is due for either extension or repayment on December 2023. The loan facility allows for the group to renew this facility on the same terms for a further 12 months subject to satisfaction of the covenants which have been met during the period to date and are forecast to up to the point of renewal.

The directors have assessed the covenants in place on the new and renewed loan facilities and believe, based on the forecasts and expectations of the group that these can be met. If such a situation arose, then the company has an option to cure any potential breach of covenant before it became an event of default. The committed facilities which the Company has secured from the parent group would allow the Company every likelihood of curing any such potential breach. Directors are confident that this refinancing of the existing debt provides comfort in their assessment of going concern.

Having made appropriate enquiries, and taking into account the confirmations above, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Therefore, the directors have concluded it is appropriate to prepare the financial statements on a going concern basis.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group 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.

Room revenue is the main source of turnover for the group, 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. Rental income is recognised in the year in which it is earned.

2.6 Grant income

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

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

Newco NHL UK (17) Limited

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

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life, which range from 7 to 50 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

2.8 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Land is 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 property	-	2%
Long-term leasehold property	-	2%
Plant and machinery	-	6.67%
Fixtures and fittings	-	10%
Office equipment	-	33.33%
Assets under construction	-	Nil

Newco NHL UK (17) Limited

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

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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 consolidated statement of comprehensive income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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 is based on the cost of purchase on a first in, first out basis.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

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

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.13 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to and from related parties and accrued expenses.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Newco NHL UK (17) Limited

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

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Put option liability

Put options over B shares in subsidiaries are recognised initially at fair value through the statement of comprehensive income when granted. They are subsequently remeasured at fair value at each reporting period with the change in fair value recorded in the statement of comprehensive income as other finance expenses or income.

2.15 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.

2.16 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Pound Sterling rounded to the nearest thousand.

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 year 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.

Newco NHL UK (17) Limited

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

2. Accounting policies (continued)

2.16 Foreign currency translation (continued)

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.17 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.18 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.

2.19 Operating leases

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the lease term.

2.20 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated 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 group in independently administered funds.

2.21 Interest income

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

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated 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 and the group operate and generate income.

Newco NHL UK (17) Limited

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

2. Accounting policies (continued)

2.22 Current and deferred taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

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 group's tangible 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. The directors have based their assessment on the carrying value of tangible fixed assets on their expected value in use from future trading. In concluding on the value of impairment, the directors considered downside risk to their own models and the external valuers. The directors have considered the impact of reductions of 5% and 10%, which is considered to be a relatively extreme reduction, of EBITDA on the impairment and found no change in impairment was caused.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 14)*

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

- *Impairment of the investments in subsidiaries (see note 15)*

An impairment charge of £2,449,132 (2022: £nil) for the current year was recorded against the company's investment in subsidiaries. The directors have based their assessment on the carrying value on their expected value in use from future trading.

Newco NHL UK (17) Limited

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2023	2022
	£'000	£'000
Hotel operations	86,248	47,478
Rental income	-	908
	<u>86,248</u>	<u>48,386</u>

Analysis of turnover by country:

United Kingdom	36,913	18,396
France	18,145	14,001
The Netherlands	9,087	5,902
USA	22,103	10,087
	<u>86,248</u>	<u>48,386</u>

5. Other income

Other income relates to government grants of £14,000 (2022: £4,044,000) that were received by the group in respect of various government schemes in the UK, Netherlands, France and USA in respect of Covid-19.

6. Operating profit

The operating profit is stated after charging/(crediting):

	2023	2022
	£'000	£'000
Depreciation of tangible fixed assets (note 13)	4,677	9,290
Amortisation of intangible fixed assets, including goodwill (note 12)	166	207
Loss on disposal of tangible fixed assets	21	121
Fees payable to the group's auditor for the audit of the financial statements	273	267
Other operating lease rentals	858	614
	<u>858</u>	<u>614</u>

Newco NHL UK (17) Limited

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

7. Employees

Staff costs were as follows:

	Group 2023 £'000	Group 2022 £'000
Wages and salaries	11,253	9,646
Social security costs	1,678	1,303
Cost of defined contribution scheme (note 26)	355	341
	<u>13,286</u>	<u>11,290</u>

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

	2023 Number	2022 Number
Administrative staff	354	355
Management staff	35	55
	<u>389</u>	<u>410</u>

8. Directors' remuneration

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

9. Interest receivable and similar income

	2023 £'000	2022 £'000
Other interest receivable	59	-
	<u>59</u>	<u>-</u>

10. Interest payable and similar charges

	2023 £'000	2022 £'000
Bank interest payable	10,155	5,790
Interest payable on loans from group undertakings	7,347	8,448
Exchange losses/(gains)	148	1,109
	<u>17,650</u>	<u>15,347</u>

Newco NHL UK (17) Limited

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

11. Profit on disposal of investment

During the year, the company has completed the sale of 100% of shares in its investment in The Hoxton (Paris) SAS and The Hoxton (Amsterdam) B.V.

	Paris £'000	Amsterdam £'000	Total £'000
Cash proceeds			180,126
Net assets disposed of:			
Tangible fixed assets	75,539	23,824	
Stocks	102	72	
Debtors	341	4,041	
Cash	3,259	2,097	
Creditors	(18,741)	(1,795)	
Other liability	-	(4,613)	
			84,126
Profit on disposal of investment			96,000
Total cash consideration in respect of sale is as follows:			
			£'000
Cash consideration			169,832
Cash-earnout consideration (received post year-end)			10,294
Total cash consideration			180,126

12. Taxation

	2023 £'000	2022 £'000
Corporation tax		
Current tax	-	-
	-	-

Newco NHL UK (17) Limited

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

12. Taxation (continued)

Foreign tax		
Foreign tax on income for the year	1,449	132
Adjustments in respect of prior periods	(1)	38
	<u>1,448</u>	<u>170</u>
Deferred tax		
Origination and reversal of timing differences	444	(1,345)
Adjustments in respect of prior periods	(411)	1,073
Effect of tax rate change on opening balance	-	1,323
	<u>33</u>	<u>1,051</u>
Taxation on ordinary activities	<u>1,481</u>	<u>1,221</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 charge for the year

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

	2023 £'000	2022 £'000
Profit/(loss) on ordinary activities before tax	97,260	(10,529)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	18,479	(2,001)
Effects of:		
Expenses not deductible for tax purposes	18,026	412
Income not assessable for tax purposes	(35,407)	(70)
Fixed asset differences	227	(276)
Group relief surrendered/(claimed)	1,244	1,946
Adjustments to tax charge in respect of prior periods	-	1,111
Adjustments to deferred tax charge in respect of prior periods	(314)	914
Change in tax rates	699	(436)
Difference in overseas tax rates	(114)	79
Movement in deferred tax not recognised	(1,613)	(458)
Deferred tax not recognised	254	-
	<u>1,481</u>	<u>1,221</u>
Total tax charge for the year	<u>1,481</u>	<u>1,221</u>

Newco NHL UK (17) Limited

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

13. Intangible assets

Group	Goodwill £'000	Computer software £'000	Other intangibles £'000	Total £'000
Cost				
At 1 April 2022	1,745	484	100	2,329
Disposals	-	(205)	-	(205)
Exchange adjustments	-	37	-	37
At 31 March 2023	1,745	316	100	2,161
Amortisation				
At 1 April 2022	917	472	63	1,452
Charge for the year	140	11	14	165
Disposals	-	(205)	-	(205)
Foreign exchange movement	-	38	-	38
At 31 March 2023	1,057	316	77	1,450
Net book value				
At 31 March 2023	688	-	23	711
At 31 March 2022	828	12	37	877

Newco NHL UK (17) Limited

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

14. Tangible fixed assets

Group

	Freehold property	Long-term leasehold property	Plant and machinery	Fixtures and fittings	Office equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2022	255,155	78,712	2,621	18,317	4,570	2,227	361,602
Additions	120	-	1	215	98	3,003	3,437
Disposals	(117,805)	-	(5)	(5,523)	(2,963)	-	(126,296)
Transfers between classes	-	-	-	9	-	(9)	-
Exchange adjustments	7,666	1	-	(2,313)	51	213	5,618
At 31 March 2023	145,136	78,713	2,617	10,705	1,756	5,434	244,361
Depreciation							
At 1 April 2022	31,801	17,419	1,950	11,102	4,456	-	66,728
Charge for the year	2,727	413	93	1,387	57	-	4,677
Disposals	(20,639)	-	(60)	(5,180)	(2,913)	-	(28,792)
Exchange adjustments	128	1,336	-	(2,110)	59	-	(587)
At 31 March 2023	14,017	19,168	1,983	5,199	1,659	-	42,026
Net book value							
At 31 March 2023	131,119	59,545	634	5,506	97	5,434	202,335
At 31 March 2022	223,354	61,293	671	7,215	114	2,227	294,874

Newco NHL UK (17) Limited

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

15. Fixed asset investments

Company	Investments in subsidiary companies £'000
Cost	
At 1 April 2022	234,083
Impairment	(2,449)
Disposal	(88,698)
	<hr/>
At 31 March 2023	142,936
	<hr/>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding	Registered office key
The Hoxton (Holborn) Limited	Operating a hotel	A Ordinary	100%	(1)
The Hoxton (Shoreditch) Limited	Operating a hotel	A Ordinary	100%	(1)
The Hoxton (Amsterdam) UK Limited	Holding company	A Ordinary	100%	(1)
32 Sentier UK Limited	Holding company	A Ordinary	100%	(1)
The Hoxton (Williamsburg) Limited	Holding company	A Ordinary	100%	(1)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding	Registered office key
WS Hotels Properties (Shoreditch) Limited	Dormant company	A Ordinary	100%	(1)
The Hoxton (Williamsburg) LLC	Operating a hotel	A Ordinary	100%	(2)

Registered office addresses:

(1) Third Floor, 20 Old Bailey, London, United Kingdom, EC4M 7AN
(2) Corporation Trust Center, 1209 Orange Street, Wilmington.

*During the year the company acquired B Ordinary shares

**During the year the company also divested its stake in The Hoxton (Paris) SAS and The Hoxton (Amsterdam) B.V.

Newco NHL UK (17) Limited

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

16. Long term deposits

Long term deposits of £7,007,000 (2022: £5,189,000) relate to cash held in bank accounts in accordance with the terms of Newco NHL UK (17) Limited's external loan facility.

17. Stocks

	Group 2023 £'000	Group 2022 £'000
Finished goods and goods for resale	656	637

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £6,612,000 (2022: £3,816,000).

18. Debtors

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade debtors	495	763	-	-
Amounts owed by group undertakings	4,869	164	116,226	181,165
Other amounts owed by group undertakings	3,275	3,275	3,223	3,223
Prepayments and accrued income	1,410	3,770	-	-
Corporation tax recoverable	188	586	-	-
Other debtors	10,751	1,160	-	-
	<u>20,988</u>	<u>9,718</u>	<u>119,449</u>	<u>184,388</u>

Amounts owed by group undertakings are at fixed interest rate ranging from 1.75%-4%, are unsecured and fall due within one year.

Other amounts owed by group undertakings relate to group relief receipts which are non-interest bearing and are repayable on demand.

Other debtors include an earnout consideration receivable from the buyer as part of the sale of The Hoxton (Paris) SAS and The Hoxton (Amsterdam) B.V.

Newco NHL UK (17) Limited

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

19. Creditors: Amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade creditors	2,080	2,167	116	-
Amounts owed to parent company	79,471	252,891	29,121	211,434
Other taxation and social security	241	212	-	-
Accruals and deferred income	6,371	5,265	51	34
Amounts owed to related parties	1,122	677	17,555	1
VAT payable	1,159	746	-	-
Bank loans	133,396	-	133,396	-
Other creditors	657	1,299	-	-
	<u>224,497</u>	<u>263,257</u>	<u>180,239</u>	<u>211,469</u>

Amounts owed to parent company are at a fixed interest rate of 4% which is repayable on demand.

Amounts owed to related parties are in relation to cross charge and reimbursement of operational expenses.

As of 31 March 2023, the total debt facility amounted to £259.2m with drawdown totalling to £134.1m. The debt facility is either extendable or repayable in full in December 2023.

During the year, interest accruing on the debt facilities available to the group ranged from 2.7% - 4.65% above SONIA, EURIBOR, USD LIBOR as appropriate.

The group is a guarantor of this loan facility.

Bank loans are shown net of unamortised fees totalling £690,316 at 31 March 2023 (2022: £1,169,000).

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

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Other loans	1,257	983	-	-
Bank loans	-	175,039	-	175,039
	<u>1,257</u>	<u>176,022</u>	<u>-</u>	<u>175,039</u>

Other loans falling due after more than one year relate to Paycheck Protection Program (PPP) loans issued to a subsidiary of the group during the year. The loans are interest bearing at a fixed interest rate of 1%, are unsecured and have a maturity of between two and five years.

Newco NHL UK (17) Limited

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

21. Financial instruments

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the strategic report.

The carrying values of the Group's financial assets and liabilities measured at fair value through profit or loss are summarised by category below:

	Group 2023 £'000	Group 2022 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	31,418	21,705
Financial liabilities		
Financial liabilities measured at amortised cost	(221,839)	(259,377)

Financial assets measured at amortised cost comprise trade and other debtors, amounts owed by group and related undertakings, cash and cash equivalents, long term deposits and accrued income.

Financial liabilities measured at amortised cost comprise trade and other creditors, loans from banks and related parties and accrued expenses.

22. Deferred taxation

Group	2023 £'000	2022 £'000
At beginning of year	(16,344)	(15,322)
Charged to statement of comprehensive income (note 12)	(33)	(1,051)
Exchange adjustments	(185)	29
Deferred tax liability reversed on disposal of subsidiary	4,613	-
At end of year	(11,949)	(16,344)

The provision for deferred taxation is made up as follows:

Accelerated capital allowances	(4,841)	(4,818)
Deferred tax arising on business acquisitions	(7,108)	(11,526)
	(11,949)	(16,344)

Newco NHL UK (17) Limited

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

23. Share capital

	2023 £'000	2022 £'000
Allotted, called up and fully paid		
57,379,710 Ordinary shares of £1.00 each (2022: 57,379,710)	57,380	57,380

24. Reserves

Foreign exchange reserve

Foreign exchange reserve represents cumulative gains and losses arising on the retranslation of the net assets of overseas operations into the group presentational currency.

Merger reserve

Merger reserve represents the difference between the value of the investment made by the company into its subsidiaries and the net assets of the subsidiaries at the date of acquisition.

Retained earnings/(accumulated losses)

Retained earnings/(accumulated losses) represents cumulative profits or losses, net of dividends paid and other adjustments.

25. Capital commitments

At 31 March 2023, the group had capital commitments as follows:

	2023 £'000	2022 £'000
Contracted for but not provided in these financial statements	124	79

The capital commitments at both period ends are in relation to development, refurbishment and extension works being undertaken at the hotels.

Newco NHL UK (17) Limited

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

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the schemes are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £355,000 (2022: £342,000). Contributions totalling £67,000 (2022: £54,000) were payable to the funds at the reporting date and are included in creditors.

27. Commitments under operating leases

At 31 March 2023, the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £'000	Group 2022 £'000
Not later than 1 year	656	657
Later than 1 year and not later than 5 years	2,626	2,626
Later than 5 years	47,263	47,919
	<hr/> 50,545	<hr/> 51,202

28. Related party transactions

The group is related to Ennismore International Management Limited ('Ennismore') by virtue of the fact that Ennismore and Norlake Hospitality Limited have a common director. Ennismore charges the group management and other service fees incurred for the purposes of the group.

The group's immediate parent company is Norlake Hospitality Limited ('NHL'). NHL recharges the group for payroll and other direct costs incurred for the purposes of the group.

Related party balances

	2023 £'000	2022 £'000
Amounts owed to related parties		
Loan balance owed to NHL	(79,471)	(252,891)
Amounts owed (to)/from Ennismore	(5,505)	354
Amounts owed from/(to) fellow subsidiaries	6,627	(1,031)
Group tax receivable	3,275	3,275
Amounts owed by fellow subsidiaries	4,869	164

Newco NHL UK (17) Limited

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

28. Related party transactions (continued)

Related party transactions	2023 £'000	2022 £'000
Interest charged by NHL	(7,110)	(8,449)
Loan and interest repayments to NHL	(203,462)	(4,439)
Expenses recharged by NHL	(85)	(388)
Expenses recharged by Ennismore	(1,156)	(647)
Management fees charged by Ennismore	(10,482)	(2,698)
Group tax relief surrendered/(claimed)	1,244	1,946

Key management personnel are those who together, have authority and responsibility for planning, directing, and controlling the activities of the group. Key management personnel remuneration for the current year is £nil as all directors and senior management considered are remunerated by companies outside the group (2022: £nil).

29. Events after the reporting date

On May 2023 and June 2023, part of the consideration due on disposal of The Hoxton (Paris) SAS and The Hoxton (Amsterdam) B.V. were realised.

On June 2023, the company has signed a term sheet for divesting 100% of its investment in The Hoxton (Shoreditch) Limited and The Hoxton (Holborn) Limited.

30. Controlling party

The company is a subsidiary undertaking of Norlake Hospitality Limited, a company incorporated in England and Wales. The ultimate parent company is Bharti Overseas Private Limited. In the opinion of the directors there is no 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 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.