

EH Hotel 2018 Limited

Annual Report and Financial Statements

Period Ended

31 March 2020

Company Number 11258257



EH Hotel 2018 Limited

Company Information

Directors	S Pasricha L G Young
Registered number	11258257
Registered office	Third Floor 20 Old Bailey London EC4M 7AN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

EH Hotel 2018 Limited

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EH Hotel 2018 Limited

Strategic Report for the Period Ended 31 March 2020

Strategic report

The directors present their strategic report together with the audited financial statements for the period ended 31 March 2020.

Principal activities

The principal activity of the company during the period was the operation of a country house hotel in Oxfordshire, trading as 'Eynsham Hall'.

The company acquired the business, assets and leasehold property known as Eynsham Hall on 30 April 2018.

In the period ended 31 March 2020, turnover was £5,466,619 (31 December 2018: £3,638,760) and operating loss was £1,166,341 (31 December 2018: £62,294 profit). The directors were satisfied with the performance of the company in the period.

Strategy and future outlook

The company benefits from its country house hotel being well situated in the Oxfordshire countryside. During the reporting period the company focused on managing the hotel successfully, whilst also considering development opportunities to maximise the future potential of the hotel.

On 23 March 2020, the hotel closed due to travel restrictions in relation to COVID-19. The hotel remains closed for refurbishment and is expected to reopen Summer 2022.

Principal risks and uncertainties

The directors have assessed the main risk facing the group as being the global coronavirus pandemic involving the spread of COVID-19 and the counter measures adopted by governments as they seek to mitigate the impact of the pandemic. Given the hotel will remain closed during 2020 and 2021, the Directors believe the key risk is a delay to renovation should a local outbreak occur and have built in contingencies to accommodate this.

Key performance indicators

The measurements used to assess progress against revenue objectives are Average Rate and Revenue Per Available Room (RevPAR), a function of occupancy and average rate. In the period to 31 March 2020, both RevPAR of £37 (31 December 2018: £58) and Average Rate of £58 (31 December 2018: £76) were lower than the previous financial year due to the delay of the hotel closure, originally scheduled for the end of 2019.

Financial instruments

The company finances its operations through shareholder loans.

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

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

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



.....
L G Young
Director

Date: 29 March 2021

EH Hotel 2018 Limited

Directors' Report for the Period Ended 31 March 2020

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

Results and dividends

The statement of comprehensive income is set out on page 7 and shows the loss for the period.

The loss for the period, after taxation, amounted to £1,681,967 (31 December 2018 - £211,331).

No dividends per paid during the period (31 December 2018 - £nil).

Directors

The directors who served during the period were:

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

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

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EH Hotel 2018 Limited

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

Disclosure of information to auditor

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

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

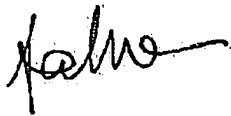
Auditor

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

Going concern

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

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



.....
L G Young
Director

Date: 29 March 2021

EH Hotel 2018 Limited

Independent Auditor's Report to the Members of EH Hotel 2018 Limited

Opinion

We have audited the financial statements of EH Hotel 2018 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.

EH Hotel 2018 Limited

Independent Auditor's Report to the Members of EH Hotel 2018 Limited (continued)

Other information

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

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 strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the Members of EH Hotel 2018 Limited (continued)

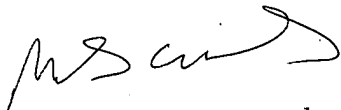
Auditor's responsibilities for the audit of the financial statements

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).

EH Hotel 2018 Limited

Statement of Comprehensive Income for the Period Ended 31 March 2020

	Note	15 months ended 31 March 2020 £	15 March 2018 to 31 December 2018 £
Turnover	4	5,466,619	3,638,760
Cost of sales		(3,185,424)	(1,942,684)
Gross profit		2,281,195	1,696,076
Administrative expenses		(3,447,536)	(1,633,782)
Operating (loss)/profit	5	(1,166,341)	62,294
Interest payable and similar charges	8	(593,001)	(290,551)
Loss before tax		(1,759,342)	(228,257)
Tax on loss	9	77,375	16,926
Loss for the financial period		(1,681,967)	(211,331)

All amounts relate to continuing operations.

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

The notes on pages 10 to 20 form part of these financial statements.

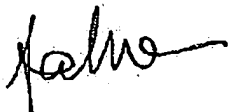
EH Hotel 2018 Limited

Registered number: 11258257

**Statement of Financial Position
As at 31 March 2020**

	Note	31 March 2020 £	31 December 2018 £
Fixed assets			
Intangible assets	10	2,108,690	2,132,208
Tangible assets	11	11,376,056	9,838,819
		<u>13,484,746</u>	<u>11,971,027</u>
Current assets			
Stocks	12	21,945	32,518
Debtors	13	417,954	136,043
Cash at bank in hand		901,292	726,545
		<u>1,341,191</u>	<u>895,106</u>
Creditors: amounts falling due within one year	14	(15,000,384)	(11,568,986)
Net current liabilities		<u>(13,659,193)</u>	<u>(10,673,880)</u>
Total assets less current liabilities		<u>(174,447)</u>	<u>1,297,147</u>
Provisions for liabilities			
Deferred tax	15	(1,717,851)	(1,507,478)
Net liabilities		<u>(1,892,298)</u>	<u>(210,331)</u>
Capital and reserves			
Share capital	16	1,000	1,000
Accumulated losses	17	(1,893,298)	(211,331)
		<u>(1,892,298)</u>	<u>(210,331)</u>

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



.....
L G Young
Director

Date: 29 March 2021

The notes on pages 10 to 20 form part of these financial statements.

EH Hotel 2018 Limited

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

	Share capital £	Accumulated losses £	Total equity £
At 1 January 2019	1,000	(211,331)	(210,331)
Comprehensive loss for the period			
Loss for the period	-	(1,681,967)	(1,681,967)
At 31 March 2020	<u>1,000</u>	<u>(1,893,298)</u>	<u>(1,892,298)</u>

Statement of Changes in Equity for the Period Ended 31 December 2018

	Share capital £	Accumulated losses £	Total equity £
Comprehensive loss for the period			
Loss for the period	-	(211,331)	(221,331)
Contributions by owners			
Shares issued during the period	1,000	-	1,000
At 31 December 2018	<u>1,000</u>	<u>(211,331)</u>	<u>(210,331)</u>

The notes on pages 10 to 20 form part of these financial statements.

EH Hotel 2018 Limited

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

1. General information

EH Hotel 2018 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 strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The 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 £13,659,193 (31 December 2018 - £10,673,880). 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.

EH Hotel 2018 Limited

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

2. Accounting policies (continued)

2.4 Turnover

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

2.5 Intangible assets

Goodwill

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

The useful life for the goodwill recognised has been assessed to be the remaining term of the property lease which is 113 years.

2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis, from the date of original purchase of the asset:

Long leasehold property	- 114 years
Plant and machinery	- 15 years
Fixtures and fittings	- 10 years
Computer equipment	- 3 years
Assets under construction	- Nil

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

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

2.7 Stocks

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

EH Hotel 2018 Limited

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

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

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

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

2.9 Debtors

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

2.10 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.

2.11 Creditors

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

2.12 Pensions

Defined contribution pension plan

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

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

EH Hotel 2018 Limited

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

2. Accounting policies (continued)

2.13 Interest payable

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

2.14 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.

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

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

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

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)
Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Analysis of turnover

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

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

	15 months ended 31 March 2020 £	15 March 2018 to 31 December 2018 £
Operating lease rentals	513,152	257,103
Depreciation of tangible fixed assets	327,993	217,993
Amortisation of intangibles, including goodwill	23,518	12,604
Defined contribution pension cost	43,151	13,980

During the period, no director received any emoluments (31 December 2018 - £nil). All directors' emoluments are borne by another group company.

EH Hotel 2018 Limited

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

6. Auditor's remuneration

Auditor's remuneration during the period was £7,085. In the prior period auditor's remuneration was borne by another group company.

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

7. Employees

Staff costs were as follows:

	15 months ended 31 March 2020 £	15 March 2018 to 31 December 2018 £
Wages and salaries	1,897,453	1,164,246
Social security costs	150,765	88,009
Cost of defined contribution scheme	43,151	13,980
	<u>2,091,369</u>	<u>1,266,235</u>

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

	15 months ended 31 March 2020 Number	15 March 2018 to 31 December 2018 Number
Administrative staff	93	65
Management staff	11	14
	<u>104</u>	<u>79</u>

8. Interest payable and similar charges

	15 months ended 31 March 2020 £	15 March 2018 to 31 December 2018 £
Interest payable on loans from group undertakings	<u>593,001</u>	<u>290,551</u>

EH Hotel 2018 Limited

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

9. Taxation

	15 months ended 31 March 2020 £	15 March 2018 to 31 December 2018 £
Corporation tax		
Group taxation relief	(278,733)	(16,474)
Adjustment in respect of prior periods	(9,015)	-
Total current tax	(287,748)	(16,474)
Deferred tax		
Origination and reversal of timing differences	27,614	(452)
Adjustment in respect of prior periods	4,839	-
Effect of tax rate change on opening balance	177,920	-
Total deferred tax	210,373	(452)
Taxation on loss on ordinary activities	(77,375)	(16,926)

Factors affecting tax credit for the period

The tax assessed for the period is higher than (31 December 2018 – higher than) 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 £	15 March 2018 to 31 December 2018 £
Loss on ordinary activities before tax	(1,759,342)	(228,257)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (31 December 2018 – 19.00%)	(334,275)	(43,369)
Effects of:		
Fixed asset differences	83,155	40,477
Timing differences not recognised	-	(14,087)
Group relief surrendered	278,733	16,474
Receipt for group relief	(278,733)	(16,474)
Adjust opening deferred tax to average rate	177,921	53
Adjust to tax charge in respect of previous periods	(9,015)	-
Adjust to tax charge in respect of previous periods – deferred tax	4,839	-
Total tax credit for the period	(77,375)	(16,926)

EH Hotel 2018 Limited

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

10. Intangible assets

	Goodwill £
Cost	
At 1 January 2019 and 31 March 2020	2,144,812
Amortisation	
At 1 January 2019	12,604
Charge for the period	23,518
At 31 March 2020	36,122
Net book value	
At 31 March 2020	2,108,690
At 31 December 2018	2,132,208

11. Tangible fixed assets (restated)

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 January 2019	8,714,821	19,402	381,737	6,652	934,200	10,056,812
Additions	-	8,073	11,011	-	1,846,146	1,865,230
At 31 March 2020	8,714,821	27,475	392,748	6,652	2,780,346	11,922,042
Depreciation						
At 1 January 2019	51,212	8,315	154,788	3,678	-	217,993
Charge for the period	95,558	16,151	213,403	2,881	-	327,993
At 31 March 2020	146,770	24,466	368,191	6,559	-	545,986
Net book value						
At 31 March 2020	8,568,051	3,009	24,557	93	2,780,346	11,376,056
At 31 December 2018	8,663,609	11,087	226,949	2,974	934,200	9,838,819

EH Hotel 2018 Limited

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

12. Stocks

	31 March 2020 £	31 December 2018 £
Consumable stores	21,945	32,518

Stock recognised in cost of sales during the period as an expense was £618,330 (31 December 2018 - £406,954).

13. Debtors

	31 March 2020 £	31 December 2018 £
Trade debtors	56,907	57,390
Other amounts owed by group undertakings (note 21)	304,222	16,474
Other debtors	-	1,800
VAT recoverable	31,196	-
Prepayments and accrued income	25,629	60,379
	417,954	136,043

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

14. Creditors: Amounts falling due within one year

	31 March 2020 £	31 December 2018 £
Trade creditors	163,862	198,725
Amounts owed to group undertakings (note 21)	14,043,859	10,857,105
Amounts owed to related parties (note 21)	4,399	28,461
Other taxation and social security	15,289	105,481
Other creditors	17,201	18,295
Accruals and deferred income	755,774	360,919
	15,000,384	11,568,986

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

EH Hotel 2018 Limited

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

15. Deferred taxation

	31 March 2020 £	31 December 2018 £
At beginning of period	(1,507,478)	-
Charged to statement of comprehensive income	(210,373)	452
Arising on business combination	-	(1,507,930)
At end of period	(1,717,851)	(1,507,478)
Accelerated capital allowances	(46,603)	(12,151)
Deferred tax on business combinations	(1,671,248)	(1,495,327)
	(1,717,851)	(1,507,478)

16. Share capital

	31 March 2020 £	31 December 2018 £
Allotted, called up and fully paid		
950 A ordinary shares of £1.00 each	950	950
50 B ordinary shares of £1.00 each	50	50
	1,000	1,000

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 shares hold voting rights equivalent to 5% of the voting capital, but do not carry dividend rights. The rights of the B shares are further set out in the Articles of Association of the company available from Companies House.

EH Hotel 2018 Limited

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

17. Reserves

Share capital

Share capital represents the nominal value of the shares issued.

Accumulated losses

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

18. Capital commitments

At 31 March 2020 the company had capital commitments as follows:

	31 March 2020 £	31 December 2018 £
Contracted for but not provided in these financial statements	<u>2,772,298</u>	<u>2,663,730</u>

The capital commitments at both period ends are in relation to a refurbishment project being undertaken at the hotel.

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £43,151 (31 December 2018 - £13,980). Contributions totalling £15,072 (31 December 2018 - £7,047) were payable to the fund at the reporting date.

20. Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	31 March 2020 £	31 December 2018 £
Not later than 1 year	418,081	409,310
Later than 1 year and not later than 5 years	1,672,324	1,586,228
Later than 5 years	44,734,676	42,587,235
	<u>46,825,081</u>	<u>44,582,773</u>

EH Hotel 2018 Limited

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

21. Related party transactions

At 31 March 2020, the company owed £14,043,859 (31 December 2018 - £10,857,105) to Norlake Hospitality Limited, the parent company. This amount is included within amounts owed to group undertakings due within one year. Interest of £593,001 (31 December 2018 - £290,551) was charged on this balance during the period.

At 31 March 2020, the company was owed £304,222 (31 December 2018 - £16,474) by Norlake Hospitality Limited in respect of group relief payments. These amounts are included in other amounts owed from group undertakings.

The company is related to Ennismore International Management Limited ("Ennismore") by virtue of the fact that Ennismore is controlled by a director of the company. During the period, Ennismore charged the company £809,644 (31 December 2018 - £775,867) in respect of management and other services and £nil (31 December 2018 - £1,225) in respect of expense recharges. At 31 March 2020, the company owed £4,399 (31 December 2018 - £28,461) to Ennismore in respect of these transactions.

22. 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.

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.