

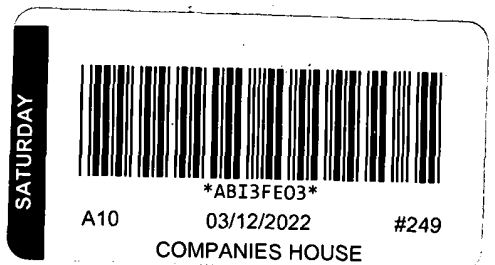
## **EH Hotel 2018 Limited**

Annual Report and Financial Statements

Year Ended

31 March 2022

Company Number 11258257



# **EH Hotel 2018 Limited**

## **Company Information**

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

# **EH Hotel 2018 Limited**

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# EH Hotel 2018 Limited

## Strategic Report for the Year Ended 31 March 2022

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

### Principal activities

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

In the year ended 31 March 2022, the operating loss was £1,212,685 (2021: £1,369,954) The directors were satisfied with the performance of the company in the year.

### Strategy and future outlook

The company benefits from its country house hotel being well situated in the Oxfordshire countryside.

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 early in 2023.

### Principal risks and uncertainties

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 construction sector is widely reported and acknowledged by the directors. All our development projects are constantly reviewing suppliers and implementing cost-saving or value-engineering initiatives where possible to mitigate the impact.

### 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 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: 14 November 2022

# EH Hotel 2018 Limited

## Directors' Report for the Year Ended 31 March 2022

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

### Results and dividends

The statement of comprehensive income is set out on page 8 and shows the loss for the year.

The loss for the year, after taxation, amounted to £1,760,318 (2021: £1,603,055).

No dividends per paid during the year (2021: £nil).

### Directors

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

S Pasricha  
L G Young  
E T Renaut (appointed 20 September 2021 and resigned 1 October 2022)  
D McCulloch (appointed 1 October 2022)

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

### Directors' responsibilities

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Year Ended 31 March 2022

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### Disclosure of information to auditor

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

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

### Auditor

The 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: 14 November 2022

# **EH Hotel 2018 Limited**

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

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### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of EH Hotel 2018 Limited ("the company") for the year to 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

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

### *Independence*

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

# **EH Hotel 2018 Limited**

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

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 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 directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.



# EH Hotel 2018 Limited

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

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### Responsibilities of directors

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

# EH Hotel 2018 Limited

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

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

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

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Mark RA Edwards*

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

Date: 18 November 2022

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

## EH Hotel 2018 Limited

### Statement of Comprehensive Income for the Year Ended 31 March 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	4	-	52,956
Cost of sales		-	(506,666)
<b>Gross loss</b>		-	(453,710)
Administrative expenses		(1,212,685)	(916,244)
<b>Operating loss</b>	5	(1,212,685)	(1,369,954)
Interest payable and similar charges	8	-	(181,898)
<b>Loss before tax</b>		(1,212,685)	(1,551,852)
Tax expense on loss	9	(547,633)	(51,203)
<b>Loss for the financial year</b>		(1,760,318)	(1,603,055)

All amounts relate to continuing operations.

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

The notes on pages 11 to 21 form part of these financial statements.

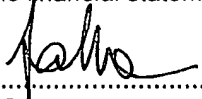
**EH Hotel 2018 Limited**

Registered number: 11258257

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

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	10	2,072,853	2,091,523
Tangible assets	11	47,222,830	18,064,324
		<u>49,295,683</u>	<u>20,155,847</u>
<b>Current assets</b>			
Debtors	12	4,026,400	875,293
Cash and cash equivalents		153,597	31,156
		<u>4,179,997</u>	<u>906,449</u>
<b>Creditors: amounts falling due within one year</b>	13	(56,415,224)	(22,788,595)
<b>Net current liabilities</b>		<u>(52,235,227)</u>	<u>(21,882,146)</u>
<b>Total assets less current liabilities</b>		<u>(2,939,544)</u>	<u>(1,726,299)</u>
<b>Provisions for liabilities</b>			
Deferred tax	14	(2,316,127)	(1,769,054)
<b>Net liabilities</b>		<u>(5,255,671)</u>	<u>(3,495,353)</u>
<b>Capital and reserves</b>			
Share capital	15	1,000	1,000
Accumulated losses	16	(5,256,671)	(3,496,353)
		<u>(5,255,671)</u>	<u>(3,495,353)</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: 14 November 2022

The notes on pages 11 to 21 form part of these financial statements.

## EH Hotel 2018 Limited

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

	Share capital £	Accumulated losses £	Total equity £
<b>At 1 April 2021</b>	1,000	(3,496,353)	(3,495,353)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(1,760,318)	(1,760,318)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022</b>	1,000	(5,256,671)	(5,255,671)
	<hr/>	<hr/>	<hr/>

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

	Share capital £	Accumulated losses £	Total equity £
<b>At 1 April 2020</b>	1,000	(1,893,298)	(1,892,298)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(1,603,055)	(1,603,055)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2021</b>	1,000	(3,496,353)	(3,495,353)
	<hr/>	<hr/>	<hr/>

The notes on pages 11 to 21 form part of these financial statements.

# EH Hotel 2018 Limited

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

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### 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 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 2022 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

#### 2.3 Going concern

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 (continued) for the Year Ended 31 March 2022

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### 2. Accounting policies (continued)

#### 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 112 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.

# **EH Hotel 2018 Limited**

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

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

#### **2.7 Current and deferred taxation**

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

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

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

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

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

#### **2.8 Debtors**

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

#### **2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### **2.10 Creditors**

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



# EH Hotel 2018 Limited

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

### 2. Accounting policies (continued)

#### 2.12 Interest payable

Interest payable is recognised in the Statement of Comprehensive Income on an accruals basis.

### 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.

### 4. Analysis of turnover

All turnover arose within the United Kingdom.

### 5. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Operating lease rentals	400,023	457,475
Depreciation of tangible fixed assets	80,230	82,180
Amortisation of intangibles, including goodwill	18,670	17,167
Profit on disposal of tangible fixed assets	-	83,172

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

### 6. Auditor's remuneration

Auditor's remuneration is borne by another group company.

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

# EH Hotel 2018 Limited

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

### 7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	-	221,666
Social security costs	-	41,051
Cost of defined contribution scheme	-	13,012
	<u>-</u>	<u>275,729</u>

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

	2022 Number	2021 Number
Administrative staff	-	19
Management staff	-	4
	<u>-</u>	<u>23</u>

### 8. Interest payable and similar charges

	2022 £	2021 £
Interest payable on loans from group undertakings	-	181,898

# EH Hotel 2018 Limited

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

9. Taxation	2022 £	2021 £
<b>Corporation tax</b>		
Group taxation relief	-	-
Adjustment in respect of prior periods	560	-
	<hr/>	<hr/>
<b>Total current tax</b>	<b>560</b>	<b>-</b>
	<hr/>	<hr/>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,339)	89,176
Adjustment in respect of prior periods	(2,594)	(37,973)
Effect of tax rate change on opening balance	558,006	-
	<hr/>	<hr/>
<b>Total deferred tax</b>	<b>547,073</b>	<b>51,203</b>
	<hr/>	<hr/>
<b>Taxation on loss on ordinary activities</b>	<b>547,633</b>	<b>51,203</b>
	<hr/>	<hr/>

The Finance Act 2021 legislated to increase the standard rate of corporation tax to 25% from 1 April 2023 for all companies/groups with taxable profits over £250k.

### Factors affecting tax expense for the year

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

	2022 £	2021 £
Loss on ordinary activities before tax	(1,212,685)	(1,551,852)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(230,410)	(294,852)
<b>Effects of:</b>		
Fixed asset differences	6,682	18,666
Expenses not deductible for tax purposes	-	37,337
Other permanent differences	-	570
Deferred tax not recognised	85,563	327,455
Group relief surrendered	230,952	-
Remeasurement of deferred tax for changes in tax rates	456,881	-
Adjust to tax charge in respect of previous periods	560	-
Adjust to tax charge in respect of previous periods – deferred tax	(2,594)	(37,973)
Other movements	(1)	-
	<hr/>	<hr/>
<b>Total tax expense for the year</b>	<b>547,633</b>	<b>51,203</b>
	<hr/>	<hr/>

# EH Hotel 2018 Limited

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

<b>10. Intangible assets</b>		<b>Goodwill</b>	
		<b>£</b>	
<b>Cost</b>			
At 1 April 2021 and 31 March 2022			2,144,812
			<hr/>
<b>Amortisation</b>			
At 1 April 2021			53,289
Charge for the year			18,670
			<hr/>
At 31 March 2022			71,959
			<hr/>
<b>Net book value</b>			
At 31 March 2022			2,072,853
			<hr/>
At 31 March 2021			2,091,523
			<hr/>
<b>11. Tangible fixed assets</b>			
	<b>Leasehold property</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2021	9,190,588	9,098,276	18,288,864
Additions	-	29,238,736	29,238,736
	<hr/>	<hr/>	<hr/>
At 31 March 2022	9,190,588	38,337,012	47,527,600
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 April 2021	224,540	-	224,540
Charge for the year	80,230	-	80,230
	<hr/>	<hr/>	<hr/>
At 31 March 2022	304,770	-	304,770
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2022	8,885,818	38,337,012	47,222,830
	<hr/>	<hr/>	<hr/>
At 31 March 2021	8,966,048	9,098,276	18,064,324
	<hr/>	<hr/>	<hr/>

During the year, interest costs of £1,323,019 (2021: £470,591) were capitalised into the value of the asset under construction.

# EH Hotel 2018 Limited

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

### 12. Debtors

	2022 £	2021 £
Trade debtors	74,405	-
Amounts owed by group undertakings	-	1,971
Other amounts owed by group undertakings	303,662	304,222
Other debtors	2,096,783	1,642
VAT recoverable	1,551,550	567,458
	<u>4,026,400</u>	<u>875,293</u>

Amounts owed by group undertakings relate to trading balances with other group companies and are non-interest bearing and are repayable on demand.

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

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

	2022 £	2021 £
Trade creditors	12,206	-
Amounts owed to group undertakings	51,755,609	21,924,329
Accruals and deferred income	4,647,409	864,266
	<u>56,415,224</u>	<u>22,788,595</u>

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 (continued) for the Year Ended 31 March 2022

### 14. Deferred taxation

	2022 £	2021 £
At beginning of year	(1,769,054)	(1,717,851)
Charged to statement of comprehensive income	(547,073)	(51,203)
	<u>                    </u>	<u>                    </u>
<b>At end of year</b>	<b>(2,316,127)</b>	<b>(1,769,054)</b>
	<u>                    </u>	<u>                    </u>
The provision for deferred taxation is made up as follows:		
Fixed asset timing differences	(2,319,895)	(97,806)
Deferred tax on business combinations	3,768	(1,671,248)
	<u>                    </u>	<u>                    </u>
	<b>(2,316,127)</b>	<b>(1,769,054)</b>
	<u>                    </u>	<u>                    </u>

### 15. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
950 A ordinary shares of £1 each	950	950
50 B ordinary shares of £1 each	50	50
	<u>                    </u>	<u>                    </u>
	<b>1,000</b>	<b>1,000</b>
	<u>                    </u>	<u>                    </u>

As at 31 March 2022, 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 (continued) for the Year Ended 31 March 2022

### 16. 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.

### 17. Capital commitments

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

	2022 £	2021 £
Contracted for but not provided in these financial statements	9,738,738	2,933,137

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

### 18. 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 £Nil (2021: £13,012). Contributions totalling £nil (2021: £nil) were payable to the fund at the reporting date.

### 19. Commitments under operating leases

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

	2022 £	2021 £
Not later than 1 year	456,974	427,706
Later than 1 year and not later than 5 years	1,829,148	1,711,995
Later than 5 years	48,454,259	45,778,569
	50,740,381	47,918,270

# EH Hotel 2018 Limited

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

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### 20. Related party transactions

At 31 March 2022, the company owed £51,755,609 (2021: £21,924,329) to Norlake Hospitality Limited, the immediate parent company. This amount is included in amounts owed to group undertakings due within one year. Interest of £1,374,744 (2021: £652,489) was charged on this balance during the year, of which £1,323,019 (2021: £470,591) was capitalised.

At 31 March 2022, the company was owed by Norlake Hospitality Limited and other subsidiaries of the Norlake Hospitality group £303,662 in respect of group relief payments 2021: £304,222). These amounts are included in other amounts owed by group undertakings.

At 31 March 2022, the company was owed by Maison Estelle Limited, a fellow group subsidiary £nil in respect of expense recharges (2021: £1,971). These amounts are included in amounts owed by 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 year Ennismore credited the company £37,800 (2021: £1,001,709 charged) in respect of management and other services and £203 (2021 - £259,369) in respect of expense recharges. At 31 March 2022 the company was owed £45,116 (2021: £nil) from Ennismore in respect of these transactions. This amount is included in amounts owed to related parties at both year ends.

### 21. Contingent liabilities

The Company is a member of a banking group and acts as cross guarantor for these with total facilities available of £99.4m and €116.8m. As at 31 March 2022 £27.9m and €92.8m of these facilities respectively was drawn down none of which is included in these financial statements.

### 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.