

GH 230817 Limited

Directors' Report and Financial Statements

Period Ended

31 March 2020

Company Number SC568161

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GH 230817 Limited

Company Information

Directors	S Pasricha D A Kemp C O'Leary
Registered number	SC568161
Registered office	The Gleneagles Hotel Auchterarder Perthshire PH3 1NF
Independent auditors	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX

GH 230817 Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 15

GH 230817 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.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company during the period was the development of property.

Accounting Period

The company has changed its year end and this set of accounts cover the 15 month period to 31 March 2020. The comparative figures cover the 12 months to 31 December 2018.

Going concern and COVID-19

The Covid-19 pandemic has had an immense impact on the company and on the wider industry. The directors have considered the implications in line with the FRC's 3 lenses being operations, sales and liquidity. Given the company's activities, operations have not been effected by COVID-19. The company is financed via loans from its parent and sister entities. Given the company's investor support the board believe that the company has sufficient financial resources to continue as a going concern and accordingly the financial statements have been prepared on a going concern basis. Further information on the impact to the going concern assessment is disclosed in note 1.2 of the financial statements.

Directors

The directors who served during the period were:

S Pasricha
D A Kemp
C O'Leary (appointed 2 July 2019)

GH 230817 Limited

D G Caldecott (appointed 2 July 2019, resigned 20 March 2020)

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Directors' Report

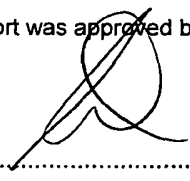
Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Small companies note

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

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


.....
C O'Leary
Director

Date:

24-3-21

GH 230817 Limited

Independent Auditor's report to the members of GH 230817 Limited

We have audited the financial statements of GH 230817 Limited ("the company") for the 15 months period to 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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.

Material uncertainty related to going concern

We draw attention to note 2.3 to the financial statements, which indicates the directors' considerations over going concern including the potential impact of COVID-19 funding required from its parent entity to complete development and that the Company's immediate parent entity is reliant on agreeing revised covenants with its bank and meeting these covenants or agreeing further waivers or agreeing a suitable cure. It is also reliant on the intercompany lender not recalling its loan. In the event agreement is not reached with the bank or additional intercompany loans are not available or are called in then the company would need to seek alternative financial arrangements, which may not be achievable. This may mean that the immediate parent company would require repayment of its loan and/or that future funding is not made available to complete the development. As stated in note 2.3 to the financial statements these events or conditions, along with the other matters as set out in note 2.3, indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

GH 230817 Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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.

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 McCluskey (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow, United Kingdom

Date: 29 March 2021

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

GH 230817 Limited

Statement of Comprehensive Income For the Period Ended 31 March 2020

	Note	15 months to 31 March 2020 £000	Year ended 31 December 2018 £000
Administrative expenses		(258)	(60)
Operating loss	4	(258)	(60)
Tax on profit/(loss)	5	(45)	10
Loss for the financial period		(303)	(50)

All amounts relate to continuing operations.

There was no other comprehensive income for the period.

The notes on pages 8 to 14 form part of these financial statements.

GH 230817 Limited


Statement of Financial Position As at 31 March 2020

	Note	31 March 2020 £000	31 December 2018 £000
Fixed assets			
Tangible assets	6	20,776	13,844
Current assets			
Debtors	7	537	253
Cash at bank		391	333
		<u>928</u>	<u>586</u>
Creditors: amounts falling due within one year	8	(21,682)	(14,374)
Net current liabilities		<u>(20,754)</u>	<u>(13,788)</u>
Total assets less current liabilities		<u>22</u>	<u>56</u>
Creditors: amounts falling due after more than one year	9	(96)	-
Provisions for liabilities			
Deferred tax	10	(280)	(107)
Net liabilities		<u>(354)</u>	<u>(51)</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(354)	(51)
Shareholders' deficit		<u>(354)</u>	<u>(51)</u>

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

The notes on pages 8 to 14 form part of these financial statements.

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



D A Kemp
 Director
 Company registered number: SC568161
 Date: 24/3/21

GH 230817 Limited

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

	Share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	-	(1)	(1)
Loss for the year	-	(50)	(50)
	<hr/>	<hr/>	<hr/>
At 1 January 2019	-	(51)	(51)
Loss for the period	-	(303)	(303)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	-	(354)	(354)
	<hr/>	<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements.

GH 230817 Limited

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

1. General information

GH 230817 Limited ("the company") is a private company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC568161 and the registered address is The Gleneagles Hotel, Auchterarder, Perthshire, PH3 1NF. The company's principal activity is set out in the directors' report.

The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest pound.

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;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of GH Holdings 1 Limited as at 31 March 2020 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

GH 230817 Limited

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

2. Accounting policies (*continued*)

2.3 Going concern

The directors have prepared the financial statements for the period ended 31 March 2020 on a going concern basis.

At the reporting date, the company had net current liabilities of £20,754,423 (31 December 2018 - £13,787,919). The company is developing a property and is reliant on funding indirectly received from its parent company, GH Holdings 1, in order to fund this development. The directors have reviewed the cashflow projections prepared by management for the company's development project. The company's ultimate parent company have committed to not re-call existing loans and to providing funding and the directors have received confirmation from the parent group that the funding will be made available for the company to ensure it can meet its liabilities as they fall due. On this basis the directors have concluded it is appropriate to prepare the financial statements on a going concern basis. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The immediate parent company GH Holdings 2 Limited is part of a banking group with other group entities ('the banking group'). At the time of this report, the group entities involved in the banking group have strong liquidity to cope with more the pessimistic scenarios in their stress testing. The bank loan is not due for repayment until 2024 however does have covenants in place. The banking group's primary lender has agreed to waive covenant reporting through until the end of March 2021 and amend future obligations under these covenants in advance of June 2021, when economic conditions are likely to be less volatile. The directors are confident that such amendments will proceed as anticipated but have purposefully not been agreed until the landscape becomes clearer.

While the directors of the immediate parent company have every expectation that covenant obligations within the primary lenders facility for the financial year starting April 2021 will be agreed in a way that will enable them to be met, there is an inherent uncertainty within this which is beyond the control of the Board of the immediate parent company. Notwithstanding the availability of financial resources at the banking group's disposal, in the event agreement is not reached with the bank or additional intercompany loans are not available or are called in then the company would need to seek alternative financial arrangements, which may not be achievable. This may mean that the immediate parent company would require repayment of its loan and/or that future funding is not made available to complete the development. As a result, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Given the support of the company's parent entity noted above, the continued support of the banking group's primary lender and confidence in agreeing appropriate covenants for the next financial year, the board believe that the company has sufficient financial resources to continue as a going concern and accordingly the financial statements have been prepared on a going concern basis. The financial statements do not therefore include any adjustments that would result if the company were unable to continue as a going concern.

2.4 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.

GH 230817 Limited

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company 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 company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

2.6 Financial instruments

The company 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 related parties and investments in non-puttable ordinary shares.

GH 230817 Limited

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

2. Accounting policies (continued)

2.7 Creditors

Short term creditors are measured at the transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.8 Taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

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

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

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

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

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

4. Operating loss

Amounts receivable by the Company's auditor and its associates in respect of:

Audit of financial statements - £2,350 (31 December 2018 - £3,500, paid by a related company)

The company has no employees. No directors received any remuneration from the company in the period.

GH 230817 Limited

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

5. Taxation

	15 months to 31 March 2020 £000	Year ended 31 December 2018 £000
Corporation tax		
Current tax on loss for the period	(128)	(92)
Adjustments in respect of prior periods	-	(25)
Total current tax	<u>(128)</u>	<u>(117)</u>
Deferred tax (see note 10)		
Origination and reversal of timing differences	160	83
Adjustments in respect of prior periods	13	24
Total deferred tax	<u>173</u>	<u>107</u>
Total tax	<u>45</u>	<u>(10)</u>
All tax recognised above relates to UK corporation tax.		
Factors affecting tax credit for the period		
	15 months to 31 March 2020 £	Year ended 31 December 2018 £
Loss on ordinary activities before tax	(258)	(60)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (31 December 2018 – 19%)	<u>(49)</u>	<u>(11)</u>
Effects of:		
Group relief surrendered	129	92
Receipt for group relief	(129)	(92)
Deferred tax not recognised	82	10
Adjust opening deferred tax to rate of 19%	12	-
Reduction in tax rate on deferred tax balances	-	(9)
	<u>45</u>	<u>(10)</u>

The company has an unrecognised deferred tax asset of £92,530 (31 December 2018 - £10,176) from pre-trading losses. The asset would be recovered in the event of future taxable profits against which the losses and other timing differences could be relieved.

GH 230817 Limited

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

6. Tangible fixed assets

	Freehold property £000	Assets under construction £000	Total £000
Cost or valuation			
At 1 January 2019	10,670	3,173	13,843
Additions	-	6,933	6,933
	<hr/>	<hr/>	<hr/>
At 31 March 2020	10,670	10,106	20,776
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2020	10,670	10,106	20,776
	<hr/>	<hr/>	<hr/>
At 31 December 2018	10,670	3,173	13,843
	<hr/>	<hr/>	<hr/>

The company has acquired a property which is under development. Therefore, no depreciation has been charged during the period in respect of this asset under construction.

Included in additions above is borrowing costs capitalised of £846,217 at a rate of 4%.

7. Debtors

	31 March 2020 £000	31 December 2018 £000
Other debtors	537	253
	<hr/>	<hr/>

All debtors are due within one year.

GH 230817 Limited

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

8. Creditors: amounts falling due within one year

	31 March 2020 £000	31 December 2018 £000
Trade creditors	-	5
Amounts owed to group undertakings	21,678	14,211
Accruals and deferred income	4	158
	<u>21,682</u>	<u>14,374</u>

The amounts owed to group undertakings are interest bearing at a fixed rate of 4%, are unsecured and are repayable on demand.

9. Creditors: amounts falling due after more than one year

	31 March 2020 £000	31 December 2018 £000
Trade creditors	96	-
	<u>96</u>	<u>-</u>

10. Deferred tax

Deferred tax liabilities are attributable to the following:

	31 March 2020 £000	31 December 2018 £000
Accelerated capital allowances	(280)	(107)
	<u>(280)</u>	<u>(107)</u>

11. Share capital

	31 March 2020 £000	31 December 2018 £000
<i>Allotted, called up and fully paid</i>		
1 ordinary shares of £1	-	-
	<u>-</u>	<u>-</u>

12. Reserves

Profit and loss account

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

GH 230817 Limited

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

13. Related party transactions

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 £791,719 (31 December 2018 - £890,077) in respect of management and other services. At the year end the balance due to Ennismore was £nil (31 December 2018 - £75,157).

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group companies.

14. Controlling party

The largest group in which the results the company are consolidated is that headed by Bharti Overseas Private Limited, a company incorporated in India. Copies of the Bharti Overseas Private Limited consolidated accounts are available to the public and may be obtained from the Ministry of Corporate Affairs, India.

The smallest group in which the results are consolidated is that headed by GH Holdings 1 Limited, a company registered in England and Wales. The consolidated accounts of GH Holdings 1 Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

15. Capital commitments

At the 31 March 2020 the company was committed to £18,760,824 (31 December 2018 - £2,102,103) in capital contracts.