

EDWARDIAN INTERNATIONAL HOTELS LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Company Registration No. 02808125

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EDWARDIAN INTERNATIONAL HOTELS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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EDWARDIAN INTERNATIONAL HOTELS LTD

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2022.

Business Review

The principal activity of the Company is the provision of hotel accommodation, conference facilities and meals.

The Company's hotel opened for business on 17th February 2022 after the Covid -19 pandemic. The turnover for the year was £6.3 million (2021: £Nil), which was slightly below pre pandemic levels of £6.8 million.

The Company made an operating profit of £0.9 million (2021: loss of £2.0 million) which was higher than the pre-pandemic operating profit of £0.6 million in 2019.

Business environment

The Company has traditionally enjoyed multiple sources of demand for its services as its hotel is in Central London. The development of new hotels in London and the increase in supply of quasi-hotel rooms through online services such as Airbnb have added to and is expected to continue to add to the competitive forces affecting the Company in the long term.

The effect of the international travel restrictions remaining in place in early 2022 meant trading was weak in the early part of 2022, hence the hotel only opened on 17th February 2022.

The war in Ukraine has also impacted international travel since and in the UK, economic pressures continue to affect business at the hotel. As a result, the trading is not expected to reach the pre-pandemic levels until 2023.

The Directors are however confident that the long term demand for quality London hotels will continue.

Strategy

The Company is a wholly owned subsidiary of Edwardian Group Limited, which owns and operates 10 hotels in central London and hotels at Heathrow, Central Manchester and London Docklands. The Group's expertise and historical success lies in the development and operation of hotels, primarily in London. Its strategy is to continue to build on that expertise. The Company's strategy is regularly reviewed at Group level to fit in with the Group's strategy.

Key performance indicators

Performance for each hotel company is measured collectively on a group basis and provided to the Company on a regular basis. The Group uses tools which actively collect and monitor guest feedback and the Company benchmarks itself against comparable hotels in the local competition set using metrics such as Global Review Index (GRI).

EDWARDIAN INTERNATIONAL HOTELS LTD

STRATEGIC REPORT

Principal risks and uncertainties

Like most businesses, the Company is subject to a variety of risks which could have a negative impact on its performance and financial condition, including the reputational damage that might arise from inadvertent breach of one or more provisions of the substantial volume of new and revised legislation and regulations that continue to flow. The Board is responsible for the Company's system of internal control and risk management, and for reviewing its effectiveness. In discharging and delegating that responsibility, the Board has regard to the balance of risk, cost and opportunity.

This section describes some of the risks that could materially affect the Company's business. The risks below are not the only ones that the Company faces. Some risks are not yet known to the Company and some that it does not currently believe to be material could later turn out to be material. All such risks could materially affect the Company's business, revenue, operating profit, earnings, net assets and liquidity and/or capital resources.

The effects of terrorist incidents in London could materially impact on the Company if these were repeated. The Company has insurance against terrorism damage; however it is not possible to insure against indirect effects. Fortunately demand for hotel services and particularly room occupancy comes from many sources of business and many countries. The London hotel market has recovered swiftly from previous terrorist events.

The recruitment market has been very competitive across the sector since the easing of the Covid-19 related restrictions and staff turnover has been high, reflecting external job offers, relocation, change of career path and other rationales that have come to the fore since the start of Covid-19. The Company will continue to review contract terms, flexibility, monitor market pay, and improve its recruitment and the training it offers in order to attract the right talent needed for its success.

The Company had no external borrowings throughout the year and therefore it is not directly exposed to any external credit risks. However, it is financed by its parent company by way of an intercompany loan. It is therefore reliant on continuing financial support of the parent company, compliance by the parent company with its financial covenants and on overall performance of the group.

The Company is reliant upon the reservation system of the Radisson Hotel Group (RHG), the franchisor of the Radisson brand and system. In common with other franchisees, it is exposed to the risk of failures in that system as well as in its own associated IT systems. The Company has only indirect influence over steps that RHG might take to mitigate such risks. The Company and the Group to which it belongs has the benefit of long term arrangements with RHG and has been encouraged by the support and co-operation offered by RHG. The Company is exposed to the possibilities of interruption in the short term including inadequate disaster recovery arrangements, and/or to inadequate continued investment in this technology, leading to loss of competitive position in its distribution channels which are continually changing and important to revenues and to the control of the supply, presentation and price of its room inventory.

The Company is mindful of the effect of the uncertainties as a result of economic risks, e.g. interest rate hikes and inflation, global supply chain issues, geo-political risks which have affected energy supplies and costs and the consequent effect of it on the company's business. Wherever possible, the Company looks for alternative sources of business and seeks to control costs.

EDWARDIAN INTERNATIONAL HOTELS LTD

STRATEGIC REPORT

Fixed assets

The diverse sources of business and the status of London had historically combined to increase demand from investors for central London hotels. The Company's policy of regular refurbishment of the hotel and continued attention to maintenance had ensured that it is of the type to be attractive to international purchasers.

The hotel was revalued professionally by Jones Lang LaSalle Ltd at the Balance Sheet date. The hotel is carried at this valuation. The revaluation resulted in a revaluation surplus of £2.5 million. The basis of valuation is described in more detail in Note 11 to the accounts.

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

The SECR report has been prepared on a group basis and is included in the accounts of the ultimate parent company, Edwardian Group Limited.

Statement required under S172 Companies Act 2006

The table below lists the Group policies which the Board of Directors consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters below:

S 172 requirement	How the Board's discussions and decision making has taken this into account
(a) the likely consequences of any decision in the long term	<p>Maintaining the standard of the Company's hotel by constant upgrades and maintenance of the hotel and the training of its employees to deliver the right level of service.</p> <p>The Company's ultimate parent undertaking has undrawn facilities to ensure adequate funding and liquidity in the Group.</p>
(b) the interests of the Company's employees	<p>With all of the Group hotels open in 2022, the Company is actively recruiting employees to meet its increasing needs. As business activities have resumed, pay levels of all employees have now been reviewed in line with market.</p> <p>The Group's hospitality training program have resumed in 2022.</p>

EDWARDIAN INTERNATIONAL HOTELS LTD**STRATEGIC REPORT****Statement required under S172 Companies Act 2006 (continued)**

(c) the need to foster the Company's business relationships with suppliers, customers and others	<p>The Company's focus is to provide one of the best hotel experiences to its customers and actively monitors their changing needs through their feedback and adjusts accordingly.</p> <p>The Board ensured continuing compliance with its policy of paying suppliers' invoices promptly and staying loyal to suppliers who maintain the standards the Group requires.</p>
Sd) the impact of the Company's operations on the community and the environment	<p>The Company is focused on environmentally friendly initiatives and the head of responsible business for the Group to which it belongs oversees initiatives to reduce its carbon footprint, for example by reduction of energy usage and the reduction of food and water wastage across all its properties and ensures cross-department collaborations that improve process and aim to achieve the Group's sustainable mission.</p>
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	<p>The Company's ethos of striving to be the best in the hospitality industry, for both employees and guests, requires constant monitoring of best practices at all levels. This ensures it maintains and enhances its reputation for high standards of business conduct.</p>
(f) the need to act as fairly as between members of the Company	<p>The Company is a wholly owned subsidiary of Edwardian Group Limited, its ultimate parent company. The Company continues regular review of corporate governance practices.</p>

By Order of the Board



Vijay Wason
Company Secretary

26 June 2023

EDWARDIAN INTERNATIONAL HOTELS LTD

DIRECTORS' REPORT

The Directors have pleasure in presenting their Report and the financial statements of the Company for the year ended 31 December 2022.

Dividends

No dividends were declared or paid for the year ended 31 December 2022 (2021: £Nil).

Directors

The Directors who held office during the year were as follows:

Jasminder Singh

Siraj Singh

Inderneel Singh

Andrew Hart

Shashi Merag Shah

Amrit Singh

Krishma Dear (Appointed 8 March 2022)

Employees

It is the Company's policy to train and develop its staff in close relationship with various training organisations. The Company recognises the need to ensure effective communication with employees.

Senior management are regularly informed of Company development in strategic, financial, commercial and personnel matters to enable them to inform and discuss these issues with employees as appropriate. The Company believes in promoting from within the organisation on the basis of ability and merit.

Full and fair consideration is given to applications for employment by disabled persons, having regard to their particular aptitudes and abilities. Wherever possible, arrangements are made for the continued employment of persons who have become disabled during service and for the appropriate training, career development and promotion of disabled persons.

The Directors value each employee's contribution in achieving the standards of service set by the Company and recognise their contribution in ensuring the continuing high performance of the Company.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2021: £Nil).

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of the likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Registered office:

140 Bath Road
Hayes,
Middlesex
UB3 5AW
26 June 2023

By Order of the Board



Vijay Wason
Company Secretary

EDWARDIAN INTERNATIONAL HOTELS LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDWARDIAN INTERNATIONAL HOTELS LTD**

Opinion

We have audited the financial statements of Edwardian International Hotels Ltd ("the Company") for the year ended 31 December 2022 which comprise the Profit and Loss account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least 12 months from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDWARDIAN INTERNATIONAL HOTELS LTD**

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue transactions are simple in nature and the average value per transaction is low and therefore management would have to process a large volume of false revenue transactions to materially misstate or record revenue in the wrong period. We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on high risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts to cash and borrowings.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards); and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDWARDIAN INTERNATIONAL HOTELS LTD**

Fraud and breaches of laws and regulations – ability to detect (continued)

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, anti-bribery, and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The Directors are responsible for the Strategic report and the Directors report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDWARDIAN INTERNATIONAL HOTELS LTD**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDWARDIAN INTERNATIONAL HOTELS LTD**

The purpose of our audit work and to whom we owe our responsibilities

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.

Chrissy Douka (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

26 June 2023

EDWARDIAN INTERNATIONAL HOTELS LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
TURNOVER	2	6,296	-
Cost of sales		<u>(2,168)</u>	<u>(101)</u>
GROSS PROFIT/(LOSS)		4,128	(101)
Operating expenses	3	(3,234)	(2,015)
Other operating income	4	<u>-</u>	<u>144</u>
OPERATING PROFIT/(LOSS)	5	894	(1,972)
Interest receivable and similar income	6	4	-
Interest payable and similar expenses	7	<u>(9)</u>	<u>(3)</u>
PROFIT/(LOSS) BEFORE TAXATION		889	(1,975)
Taxation	10	<u>(261)</u>	<u>2</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>628</u>	<u>(1,973)</u>

All of the activities of the Company are classed as continuing.

The notes on pages 16 to 29 form part of these financial statements.

EDWARDIAN INTERNATIONAL HOTELS LTD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £'000	2021 £'000
Profit/(Loss) for the financial year		628	(1,973)
Other comprehensive income:			
Revaluation of tangible fixed assets	11	2,469	-
Other comprehensive income for the year, net of tax		2,469	-
Total comprehensive income/(loss) for the year		3,097	(1,973)

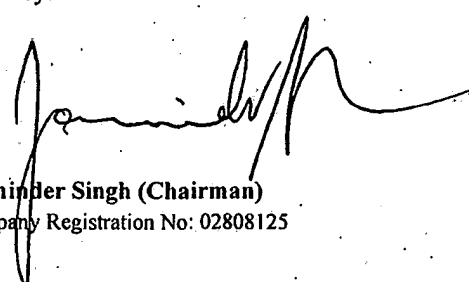
The notes on pages 16 to 29 form part of these financial statements.

EDWARDIAN INTERNATIONAL HOTELS LTD

BALANCE SHEET AT 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	11	11,400	9,556
Investments in subsidiary	12	-	-
		<u>11,400</u>	<u>9,556</u>
CURRENT ASSETS			
Stocks	25	10	
Debtors	13	232	120
Cash at bank and in hand		<u>2,082</u>	<u>100</u>
		2,339	230
CREDITORS: Amounts falling due within one year	14	<u>(1,574)</u>	<u>(1,627)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>765</u>	<u>(1,397)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,165</u>	<u>8,159</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(909)</u>	<u>-</u>
NET ASSETS		<u><u>11,256</u></u>	<u><u>8,159</u></u>
CAPITAL AND RESERVES			
Share capital	17	-	-
Revaluation reserve	17	8,609	6,494
Profit and loss account		<u>2,647</u>	<u>1,665</u>
SHAREHOLDER'S FUNDS		<u><u>11,256</u></u>	<u><u>8,159</u></u>

These financial statements were approved by the board of directors on 26 June 2023 and were signed on its behalf by:


Jasmin Singh (Chairman)
 Company Registration No: 02808125

The notes on pages 16 to 29 form part of these financial statements.

EDWARDIAN INTERNATIONAL HOTELS LTD

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2022

	Share Capital £'000	Revaluation Reserve £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 January 2021	-	6,875	3,257	10,132
Loss for the year	-	-	(1,973)	(1,973)
Other comprehensive income for the year:	-	-	-	-
Total comprehensive loss for the year	-	-	(1,973)	(1,973)
Movement on revaluation reserve in relation to depreciation	-	(381)	381	-
Balance at 31 December 2021	-	6,494	1,665	8,159
Balance at 1 January 2022	-	6,494	1,665	8,159
Profit for the year	-	-	628	628
Other comprehensive income for the year:	-	-	-	-
Revaluation of tangible fixed assets	-	2,469	-	2,469
Total comprehensive income for the year	-	2,469	628	3,097
Movement on revaluation reserve in relation to depreciation	-	(354)	354	-
Balance at 31 December 2022	-	8,609	2,647	11,256

The profit and loss account balance carried forward at 31 December 2022 is wholly distributable.

The notes on pages 16 to 29 form part of these financial statements.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES

General information and Basis of accounting

Edwardian International Hotels Ltd is a private Company limited by shares and incorporated in and domiciled in the UK. The address of the registered office is 140 Bath Road, Hayes, Middlesex, UB3 5AW. The principal place of business of the Company is 19-25 Granville Place, London, W1H 6PA. The Company's principal activity is operating a hotel.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Edwardian Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Edwardian Group Limited are prepared under FRS 102 and are available to the public and may be obtained from 140 Bath Road, Hayes, Middlesex, UB3 5AW. In these financial statements, the Company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect to the following disclosures:

- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Transactions with group entities

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

No significant judgements have had to be made by Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year with the exception of the valuation of property, which includes estimates to derive to their fair value. External professional valuers are engaged on a regular basis to support with the fair valuation of the properties. The judgements and estimates with a significant risk of material adjustment are discussed in note 11.

Measurement convention

The financial statements are prepared on historical cost basis except that land and buildings are measured in accordance with the revaluation model.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Going concern

The Company is part of the group of companies headed ultimately by Edwardian Group Limited (the "Group") and its principal activity is the operation of a hotel. The Company finances its day to day working capital needs from cashflows generated from trading and borrowings from its immediate parent company. As a result, the ability of the Company to continue as a going concern is based on the ability of the group to continue as a going concern.

The Directors have prepared cash flow forecasts for the Company which indicate that the Company will have sufficient funds to meet its liabilities as they fall due during the going concern assessment period. Those forecasts cover a period of at least 12 months from the date of approval of these financial statements and are based upon monthly operating budgets, which take into account the expected hotel occupancy levels and rates based upon the known calendar of events in the year and a targeted marketing strategy. The budgets take into account anticipated inflationary increases in costs and in particular increased utility prices and the increase to the National Living Wages. The forecasts assume that no interest or loan repayments will be made to the immediate parent company and unpaid interest will be added to the loan balance at the end of each accounting period.

Consequently, the directors are confident that the Company will have sufficient funds to meet its liabilities as they fall due for that period for at least 12 months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Tangible fixed assets

Land and buildings are accounted for under the revaluation model. The Directors assess at each balance sheet date whether there is a material difference between the carrying value and fair value of the tangible assets, consistent with the requirements of FRS 102.17.15B.

The hotel is separated into components, which have significantly different useful economic lives, and these are depreciated to their residual values over their useful economic lives.

Land included in long leasehold (over 50 years) is not depreciated. The amount allocated to land and building for leasehold properties with unexpired term of 50 years or less is written off on a straight-line basis over the remaining term of the leases. All other tangible fixed assets are depreciated on a straight line basis to their residual values over their estimated useful lives as follows with a full year depreciation charge in the year of acquisition:

Building	10 - 30 years
(Integral Plant and Surface Finishes)	
Plant and Machinery	3 - 20 years
Fixtures, Fittings and Equipment	3 - 10 years

Depreciation methods, useful lives and residual values are reviewed, if there is any indication of a significant change since last annual reporting date, in the pattern by which the Company expects to consume an asset's future economic benefits.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Basic financial instruments

Investments in subsidiaries

These are separate unconsolidated financial statements of the Company. Investments in subsidiary companies are stated at the net asset values of the subsidiary companies, which is considered to be their fair values, unless the net asset value is negative, in which case the investment's carrying value is considered to be nil. Differences between the net asset value and historical cost are recognised in other comprehensive income (OCI) in accordance with FRS 102.17.15.E-F, with net revaluation gains recognised in OCI and net revaluation losses in profit and loss to the extent that these are not reversals of previous revaluation gains.

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Interest rate benchmark reform

The Company has no borrowings which are based on any interest rate benchmark, and it is therefore not affected by the interest rate benchmark reform (transition from LIBOR).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Stocks

Stocks consist of raw materials and consumables and are valued at the lower of cost and net realisable value.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Taxation

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Revenue recognition

Revenue principally comprises income from the ownership and operation of the hotel which is recognised as turnover at the point at which accommodation and related services are provided.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Expenses (continued)

Interest receivable and interest payable

Interest payable and similar expenses comprise of interest payable that is recognised in the profit and loss account.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Foreign currencies

Foreign currency transactions are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities at year end are translated at the relevant year end rates and exchange gains or losses arising are taken to the profit and loss account.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value receivable. Grants relating to revenue are recognised in income over the period in which related costs are recognised. Amounts recognised in the profit and loss are presented under the heading other income.

2 TURNOVER

Turnover represents amounts receivable in respect of the provision of hotel accommodation, conference facilities and meals during the year, excluding value added tax. All of the Company's revenue is earned in the United Kingdom.

3 OPERATING EXPENSES

	2022	2021
	£'000	£'000
Selling costs	913	66
Administrative expenses	2,321	1,949
	<u>3,234</u>	<u>2,015</u>

4 OTHER OPERATING INCOME

	2022	2021
	£'000	£'000
Government grants	<u>-</u>	<u>144</u>

Grant income received is in respect of the government grants received under the Coronavirus Job Retention Scheme (CJRS). There are no unfulfilled conditions or other contingencies attaching to the grants received.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2022	2021
	£'000	£'000
Depreciation on tangible fixed assets	640	652
Operating lease charges	221	225
Auditor's Remuneration - as Auditor	<u>18</u>	<u>15</u>

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£'000	£'000
Interest receivable and similar income	<u>4</u>	<u>-</u>

Interest for the year includes £4,000 (2021: £Nil) earned on call deposits held during the year. Call deposits of £1.0 million (2021: £ Nil) has been recorded as part of cash at bank and in hand at the balance sheet date.

7 INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£'000	£'000
Other interest	-	(3)
Interest payable to group undertakings	(9)	-
	<u>(9)</u>	<u>(3)</u>

8 STAFF NUMBERS AND COSTS

The average number of staff employed by the Company during the financial year amounted to:

	2022	2021
	No.	No.
Operations	44	26
Administration, sales and marketing	<u>3</u>	<u>4</u>
	<u>47</u>	<u>30</u>

The aggregate payroll costs of the above were:

	2022	2021
	£'000	£'000
Wages and salaries	1,570	590
Social security costs	131	53
Other pension costs	<u>24</u>	<u>19</u>
	<u>1,725</u>	<u>662</u>

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9 DIRECTORS' REMUNERATION

The remuneration of Directors of the Company, who are also directors of the Company's ultimate parent company, Edwardian Group Limited, is disclosed in the Group financial statements, as substantially all of their qualifying services are provided to the ultimate parent company.

10 TAXATION

(a) Total tax recognised in profit and loss account and other comprehensive income and equity:

	2022 £'000	2021 £'000
Current Tax:		
Corporation tax payable based on taxable profits/(loss) for the year	261	-
Total current tax	261	-
Deferred Tax:		
Origination and reversal of timing differences	8	(22)
Difference in tax rates between current tax and deferred tax – re timing differences	3	(25)
(Deferred tax)/deferred tax credit on timing differences not recognised in the year	(11)	45
Total deferred tax	-	(2)
Total tax in profit and loss account	261	(2)
Total tax	261	(2)

	2022 Current Tax £'000	2022 Deferred Tax £'000	2022 Total Tax £'000	2021 Current Tax £'000	2021 Deferred Tax £'000	2021 Total Tax £'000
Recognised in profit and loss account	261	-	261	-	(2)	(2)
	261	-	261	-	(2)	(2)

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10 TAXATION (continued)

(b) Reconciliation of effective tax rate:

The total tax for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £'000	2021 £'000
Profit/(loss) before tax	889	(1,975)
Profit/(Loss) multiplied by standard rate of tax @ 19% (2021: 19%)	169	(375)
Effects of:		
Non-deductible expenses for tax purposes: £534,000 (2021: £535,000) of which £534,000 (2021: £535,000) relates to depreciation on land and buildings	101	102
Capital allowance super deductions	(1)	-
Difference in tax rates between current tax and deferred tax – re timing differences	3	(25)
(Deferred tax)/deferred tax credit on timing differences not recognised in the year	(11)	45
Deferred tax credit not taken for current year losses carried forward	-	253
Total tax included in profit and loss account	261	-

(c) Changes in future tax rates:

A UK corporation tax rate of 25% (effective from 1 April 2023) was enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11 TANGIBLE ASSETS

	Land and Buildings £'000	Plant, Machinery, Fixtures and Fittings £'000	Total £'000
COST/VALUATION			
At 1 January 2022	13,232	1,259	14,491
Additions	-	15	15
Revaluations	1,056	-	1,056
Disposals	-	(67)	(67)
At 31 December 2022	14,288	1,207	15,495
DEPRECIATION			
At 1 January 2022	4,046	889	4,935
Charge for the year	537	103	640
Revaluation adjustment	(1,413)	-	(1,413)
Disposals	-	(67)	(67)
At 31 December 2022	3,170	925	4,095
NET BOOK VALUE			
At 31 December 2022	11,118	282	11,400
At 31 December 2021	9,186	370	9,556

Revaluation

Assets are valued by independent valuers every two years. The directors consider whether there has been a significant movement in the fair value of the hotel assets in the intervening year, except where the impact in that year is considered to be significant, then independent valuations are obtained for the assets in that year.

The last independent valuation for the tangible assets was carried out at 31 December 2022 by Jones Lang LaSalle Ltd at market value which is considered to be the fair value, in accordance with the RICS Valuation – Global Standards (effective 31 January 2022).

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11 TANGIBLE ASSETS (continued)

Basis of valuation

The fair value of each hotel in 2022 was measured on the basis of future earning potential. Jones Lang LaSalle Ltd, prepare an income and expenditure forecast which is then capitalised using a discounted cash flow model. The forecast is prepared up to the expected stabilized year. The net cash flow in the stabilized year is then used as a basis for future income-flows and grown at an appropriate rate to year 10, having regard to the hotel's prospects and the anticipated level of inflation. A discount rate is then applied to the first 10 years of projections. The cash flow in the eleventh year is capitalised at an assumed capitalisation rate, and deferred at a discount rate, and incorporated to arrive at the total investment figure. The capitalisation rate is selected by taking into account historic hotel transactions, yields of other forms of commercial property, market factors and the age, location and condition of the property. Having arrived at an estimate of total investment, Jones Lang LaSalle Ltd then deduct, if appropriate, any capital expenditure, which an investor would require to spend in the foreseeable future, to arrive at the fair value.

The analysis of the net book value is as follows:

	2022 £'000	2021 £'000
Short Leasehold (17.75 years remaining)	<u>11,400</u>	<u>9,556</u>

Historical cost

The historical cost of land and buildings at 31 December 2022 was £8.4 million (2021: £8.4 million).

12 INVESTMENT IN SUBSIDIARY

Investments in subsidiary comprise of the following subsidiary:

Name of Subsidiary	Principle Activity	Percentage of Ordinary Shares	
		2022	2021
Old May Fair Limited	Dormant	<u>100</u>	<u>100</u>

The Company is registered in England and Wales and its registered office address is 140 Bath Road, Hayes, Middlesex UB3 5AW.

The investment in the subsidiary is stated at cost.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13 DEBTORS

	2022	2021
	£'000	£'000
Trade debtors	118	8
Amounts owed by group undertakings	2	78
Prepayments and accrued income	112	34
	<u>232</u>	<u>120</u>

14 CREDITORS: Amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	212	271
Amounts owed to group undertakings	221	1,171
Other taxes and social security	335	(62)
Corporation tax	306	44
Other creditors	1	-
Accruals and deferred income	499	203
	<u>1,574</u>	<u>1,627</u>

15 CREDITORS: Amounts falling due after more than one year

	2022	2021
	£'000	£'000
Amounts owed to group undertakings	<u>909</u>	<u>-</u>

Financial liabilities measured at amortised cost are all included in creditors.

Amounts owed to group undertakings bear interest at average cost of finance to the group plus a margin of 0.167% per annum. The rate applicable for the year was 6.230% per annum.

16 DEFERRED TAX ASSETS

The provision for deferred tax is in respect of:

	2022	2021
	£'000	£'000
Accelerated capital allowances	(86)	(103)
Short term timing differences	(6)	-
Deferred tax credit not recognised	<u>92</u>	<u>103</u>
	<u>-</u>	<u>-</u>

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17 CAPITAL AND RESERVES

Allotted, Called Up and Fully paid:

	2022 £'000	2021 £'000
100 Ordinary shares of £1 each	-	-

There is a single class of ordinary shares and each share carries one vote. There are no restrictions on the distribution of dividends and the repayment of capital.

There have been no movements in the number of shares in issue at the beginning and the end of the year in 2022 or 2021.

Revaluation Reserve

Where tangible assets are revalued, the cumulative increase in the fair value of the asset at the Balance Sheet date in excess of any previous impairment losses is included in the revaluation reserve, net of the deferred chargeable gains tax liability provided in respect of the revaluation.

18 GUARANTEES AND CONTINGENT LIABILITIES

The Company is included within a normal group value added tax registration. All companies within the registration are jointly and severally liable for the total value added tax due by the Group which at 2022 amounted to £12.7million (2021: £3.5 million).

19 FINANCIAL COMMITMENTS

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	2022 £'000	2021 £'000
Not later than one year	221	221
Later than one year and not later than five years	884	884
Later than five years	2,818	3,039
	<u>3,923</u>	<u>4,144</u>

20 RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary of Edwardian Sussex Limited, the Company has taken advantage of the exemption contained in FRS 102.33 and has therefore not disclosed transactions on balances with entities which form part of the group headed by Edwardian Group Limited.

See note 9 for disclosure of the Directors' remuneration.

One of the Directors, Jasmininder Singh is a guarantor of the obligations under the lease of the Radisson Edwardian Sussex Hotel, which is the hotel owned and operated by the Company.

The Directors confirm that there are no other related party transactions other than those disclosed in these financial statements, or from which disclosure exemption was taken, based on FRS102.33.

EDWARDIAN INTERNATIONAL HOTELS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21 ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of Edwardian Sussex Limited, a company registered in England and Wales. Its ultimate parent and controlling company is Edwardian Group Limited, a company also registered in England and Wales.

Verite Trust Company Limited as trustee of a number of trusts established in Jersey of which Mr Jasminder Singh, a director, and his family are discretionary beneficiaries, hold 86.07% (2021: 86.07%) of the ordinary shares in the ultimate parent and is thus considered as controlling the ultimate parent in its capacity as a trustee. Mr Jasminder Singh owns 6.89% (2021: 6.89%) of the ordinary shares in the ultimate parent personally.

These financial statements have been consolidated in the financial statements of Edwardian Group Limited, which is the only group in which the results of the Company are consolidated. The consolidated financial statements can be obtained from 140 Bath Road, Hayes, Middlesex, UB3 5AW.