

Newton Hotel Management Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2022

Tahas & Co Ltd
Chartered Certified Accountants and Statutory Auditors
Suite 3, Second Floor
760 Eastern Avenue
Newbury Park
London
IG2 7HU

Newton Hotel Management Limited

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Newton Hotel Management Limited

Company Information

Directors	Mr Ravi Venkatraman Mr Gkevin Muthu Maran Ms Monicca Nivetha Maran Mr Porkodiyan Nachiappan
Registered office	Belstead Brook Muthu Hotel Belstead Road Ipswich Suffolk IP2 9HB
Auditors	Tahas & Co Ltd Chartered Certified Accountants and Statutory Auditors Suite 3, Second Floor 760 Eastern Avenue Newbury Park London IG2 7HU

Newton Hotel Management Limited

Directors' Report for the Year Ended 31 December 2022

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

Directors of the company

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

Mr Ravi Venkatraman

Mr Gkevin Muthu Maran

Ms Monicca Nivetha Maran

Mr Porkodiyan Nachiappan (appointed 11 July 2022)

Principal activity

The principal activity of the company is that of providing accommodation and leisure services in the tourism, hospitality and leisure industry.

Results

The profit for the period, after taxation, amounted to £17,417.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors Tahas & Co Ltd are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 31 October 2023 and signed on its behalf by:

.....

Mr Porkodiyan Nachiappan

Director

Newton Hotel Management Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Newton Hotel Management Limited

Independent Auditor's Report to the Members of Newton Hotel Management Limited

Opinion

We have audited the financial statements of Newton Hotel Management Limited (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 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 FRS 102 Section 1A '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 December 2022 and of its profit 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.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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.

Other information

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

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

We have nothing to report in this regard.

Newton Hotel Management Limited

Independent Auditor's Report to the Members of Newton Hotel Management Limited

Opinion on other matter 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 year 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.

Matters on which we are required to report by exception

In the light of our 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 where 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; or
- 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 Statement of Directors' Responsibilities [set out on page 3], 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Newton Hotel Management Limited

Independent Auditor's Report to the Members of Newton Hotel Management Limited

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations, we considered the following

- the nature of the industry and sector, control environment and business performance and performance targets
- results of our enquiries of management and the company's financial manager's own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - 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
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- Using analytical procedures to identify any unusual or unexpected relationships.

We remained alert to any indications of fraud throughout the audit. As required by auditing standards and taking into account possible pressures to achieve targets, we performed procedures to address the risk of management override of controls and the risk of making inappropriate accounting entries.

We also performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documents. These included those posted to unusual accounts.

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. 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

Newton Hotel Management Limited

Independent Auditor's Report to the Members of Newton Hotel Management Limited

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Mr M Poonawala (Senior Statutory Auditor)

For and on behalf of Tahas & Co Ltd, Statutory Auditor

Suite 3, Second Floor

760 Eastern Avenue

Newbury Park

London

IG2 7HU

31 October 2023

Newton Hotel Management Limited

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover		1,730,015	1,203,538
Cost of sales		<u>(409,582)</u>	<u>(395,025)</u>
Gross profit		1,320,433	808,513
Administrative expenses		(1,294,779)	(926,178)
Other operating income		<u>8,900</u>	<u>133,480</u>
Operating profit		34,554	15,815
Interest payable and similar expenses		<u>(13,052)</u>	<u>(7,498)</u>
Profit before tax	<u>5</u>	21,502	8,317
Tax on profit		<u>(4,085)</u>	<u>24,788</u>
Profit for the financial year		<u><u>17,417</u></u>	<u><u>33,105</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Newton Hotel Management Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022	2021
	£	£
Profit for the year	<u>17,417</u>	<u>33,105</u>
Total comprehensive income for the year	<u><u>17,417</u></u>	<u><u>33,105</u></u>

Newton Hotel Management Limited
(Registration number: 10422265)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>6</u>	120,083	115,750
Current assets			
Stocks	<u>7</u>	9,039	8,728
Debtors	<u>8</u>	821,734	849,706
Cash at bank and in hand		366,199	226,092
		1,196,972	1,084,526
Creditors: Amounts falling due within one year	<u>9</u>	(1,022,571)	(537,012)
Net current assets		174,401	547,514
Total assets less current liabilities		294,484	663,264
Creditors: Amounts falling due after more than one year	<u>9</u>	-	(388,144)
Provisions for liabilities		(5,212)	(3,265)
Net assets		289,272	271,855
Capital and reserves			
Called up share capital	<u>10</u>	1	1
Retained earnings		289,271	271,854
Shareholders' funds		289,272	271,855

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 31 October 2023 and signed on its behalf by:

.....
Mr Porkodiyar Nachiappan
Director

Newton Hotel Management Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Retained earnings £	Total £
At 1 January 2022	1	271,854	271,855
Profit for the year	-	17,417	17,417
At 31 December 2022	1	289,271	289,272
	Share capital £	Retained earnings £	Total £
At 1 January 2021	1	238,749	238,750
Profit for the year	-	33,105	33,105
At 31 December 2021	1	271,854	271,855

Newton Hotel Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Belstead Brook Muthu Hotel
Belstead Road
Ipswich
Suffolk
IP2 9HB
United Kingdom

The principal place of business is:

Muthu Newton Hotel
Inverness Road
Nairn
IV12 4RX

These financial statements were authorised for issue by the Board on 31 October 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Newton Hotel Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipments	25% on reducing balance
Motor vehicles	25% on reducing balance
Plant and machinery	25% on reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Newton Hotel Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Newton Hotel Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 45 (2021 - 35).

4 Auditors' remuneration

	2022	2021
	£	£
Audit of the financial statements	6,000	6,000

5 Profit before tax

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	31,411	34,539

Newton Hotel Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

6 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2022	88,535	108,740	24,513	221,788
Additions	-	-	35,745	35,745
At 31 December 2022	88,535	108,740	60,258	257,533
Depreciation				
At 1 January 2022	52,427	40,266	13,345	106,038
Charge for the year	9,027	17,119	5,266	31,412
At 31 December 2022	61,454	57,385	18,611	137,450
Carrying amount				
At 31 December 2022	27,081	51,355	41,647	120,083
At 31 December 2021	36,108	68,474	11,168	115,750

7 Stocks

	2022 £	2021 £
Finished goods and goods for resale	9,039	8,728

There is no material difference between the replacement cost of stocks and the amounts stated above.
There were no impairment losses incurred in the period in respect of slow moving or obsolete stock.

8 Debtors

Current	Note	2022 £	2021 £
Trade debtors		19,958	31,342
Amounts owed by related parties	<u>12</u>	801,776	818,364
		<u>821,734</u>	<u>849,706</u>

Newton Hotel Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

All amounts shown under debtors fall due for payment within one year.

The amounts due from group undertakings are unsecured and do not bear interest.

There was no impairment loss recognised in the period in respect of bad and doubtful trade debtors.

9 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	<u>11</u>	400,000	11,856
Trade creditors		119,864	90,591
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>12</u>	312,239	301,937
Taxation and social security		37,614	60,082
Accruals and deferred income		6,000	12,000
Other creditors		146,854	60,546
		<u>1,022,571</u>	<u>537,012</u>

The amount due to group undertakings are unsecured and do not bear interest.

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	<u>11</u>	-	388,144

The bank loan is secured against the debenture signed by the company and also supported by guarantees and debentures against the property of sister company within the same group.

10 Share capital

Allotted, called up and fully paid shares

Newton Hotel Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

	2022		2021	
	No.	£	No.	£
Ordinary of £1 each	1	1	1	1

11 Loans and borrowings

	2022	2021
	£	£
Non-current loans and borrowings		
Bank borrowings	-	388,144

	2022	2021
	£	£
Current loans and borrowings		
Bank borrowings	400,000	11,856

12 Related party transactions

The company is a directly owned subsidiary of MGM UK Hotels Holdings and has taken advantage of the exemption conferred by Section 33.1A of FRS 102 not to disclose transactions with MGM UK Hotels Holdings or other wholly owned subsidiaries within the group.

Newton Hotel Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Directors' remuneration

The directors were remunerated through associate companies. Their remuneration in respect of this company is not separately identifiable.

Summary of transactions with other related parties

At 31st December 2022 the company was owed £189,576 (2021: £162,577) by Leisure Dimensions Limited, a company under common control.

At 31st December 2022 the company was owed Nil (2021: £62,150) by Magnum Euro Limited, a company under common control.

At 31st December 2022 the company was owed £21,708 (2021: owed to £8,251) by Glasgow Erskine Bridge Hotel Management Company Limited, a company under common control.

At 31st December 2022 the company owed £22,000 (2021: £22,000) to Cator Crescent UK Limited, a company under common control.

13 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is MGM UK Hotels Holdings, incorporated in England. MGM UK Hotels Holdings Limited is controlled by Maran family

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.