

WESTERGATE OPCO LIMITED

Annual Report and Financial Statements

for the year ended 31 December 2022



Company Registration Number: 11794123 (England and Wales)

WESTERGATE OPCO LIMITED

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

COMPANY INFORMATION

Directors	N M Chadwick T M Tolley
Secretary	London Registrars Ltd
Registered office	One, Berkeley Street London W1J 8DJ
Company number	11794123 (England and Wales)
Incorporation date	29 January 2019
Independent auditor	PricewaterhouseCoopers CI LLP 37 Esplanade St Helier, Jersey Channel Islands, JE1 4XA
Accountants	Yotel Limited 90 High Holborn London WC1V 6LJ

DIRECTORS' REPORT

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

Principal Activity

The Company operates a 257 room hotel in Glasgow under the Yotel brand ("the Hotel"). The Hotel opened for trading in November 2020.

Results for the year

During the year, total comprehensive income after tax for the Company was £580,545 (2021: total comprehensive loss after tax of £1,091,441). This has been charged to retained earnings.

Directors

The Directors who have held office during the period and up to the date of signature of the financial statements were as follows:

N M Chadwick

T M Tolley

Going Concern

The Company made a profit of £580,545 for the year, but it is also in a net current liability position of £1,745,726, supported by cash in hand of £1,933,080, and overall net liability position of £1,870,152.

The Directors believe it is appropriate to prepare the financial statements on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and for at least 12 months from the date of approval of these financial statements. In formulating this assessment, the Directors have taken into consideration the historic and forecast profitability of the business and the actual and projected balance sheet and have carried out forecasts which have determined that there is no significant risk to their continuation as a financial and operational going concern. The Directors have also considered and incorporated the impact of external factors in their assessment, such as current macroeconomic uncertainties which are high energy costs, high inflation and continued supply chain challenges. This is on the basis of:

- The Company's profitability in 2022 and visible improvement in sales volumes;
- The Company's anticipated ability to maintain profitability in the foreseeable future.

The Directors are confident in the ability and willingness of group companies to continue to provide financial support for at least 12 months from the date of approval of these financial statements, which mitigates the net current liability and overall net liability position of the Company.

Post Balance Sheet Events

There are no significant events that have occurred since the balance sheet date that were not included in the financial statements.

Independent Auditor

PricewaterhouseCoopers CI LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of Disclosure of Information to Auditors

So far as each of the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he 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.

DIRECTORS' REPORT (CONTINUED)

Small Companies Note

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

Directors' Responsibilities Statement

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' Section 1A. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business,
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that it ought to make itself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors confirm that they have complied with the above requirements when preparing these financial statements.

On behalf of the Board



N M Chadwick - Director
30 June 2023

Independent auditors' report to the members of Westergate Opco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Westergate Opco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2022; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' 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 auditors' 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and revenue recognition. Audit procedures performed by the engagement team included:

- enquiring with management and those charged with governance as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of the directors for matters relevant to the audit;
- identifying and testing journal entries considered to be higher fraud risk, including unusual journal entries posted;

- evaluation of any business rationale for any significant or unusual transactions identified as being outside the normal course of business;
- testing of controls around daily cash reconciliation and using advanced data integration software to reconcile revenue from the hotel management system to the general ledger system to confirm revenue journals were posted as expected;
- matching revenue from the general ledger to receipts in the bank statements using data analytics; and
- performing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

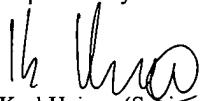
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Karl Hairon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey
30 June 2023

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Turnover	7,939,822	4,241,003
Cost of sales	(3,779,043)	(1,934,109)
Gross profit	4,160,779	2,306,894
Administrative and other operating expenses	(4,062,750)	(3,312,343)
Other income	8,866	11,250
Operating profit / (loss)	106,895	(994,199)
Finance costs	(111,763)	(97,242)
Loss before taxation	(4,868)	(1,091,441)
Income tax	585,413	-
Total comprehensive income / (loss) for the financial period	580,545	(1,091,441)

There were no recognised gains and losses other than those included in the statement of comprehensive income.

There was no other comprehensive income for the period.

The results are from continuing activities.


The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

		31 December 2022	31 December 2021
	Note	£	£
Intangible assets	4	2,383	-
Property, plant and equipment	5	49,378	1,984
Deferred tax asset	6	585,413	-
Non-current assets		637,174	1,984
Stocks		25,128	38,972
Debtors	7	536,641	227,967
Cash at bank and in hand		1,933,080	1,228,498
Current assets		2,494,849	1,495,437
Creditors: amounts falling due within one year	8	(4,240,575)	(3,104,385)
Net current liabilities		(1,745,726)	(1,608,948)
Creditors: amounts falling due after more than one year	9	(761,600)	(843,733)
Net liabilities		(1,870,152)	(2,450,697)
Called up share capital	10	1	1
Retained earnings		(1,870,153)	(2,450,698)
Total capital and reserves		(1,870,152)	(2,450,697)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of *FRS 102 Section 1A*.

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2023 and were signed on its behalf by:


 N M Chadwick
 Director

The notes form part of these financial statements

WESTERGATE OPCO LIMITED

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

STATEMENT OF CHANGES IN EQUITY

	Called up share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2021	1	(1,359,257)	(1,359,256)
Total comprehensive loss	-	(1,091,441)	(1,091,441)
Balance at 31 December 2021	1	(2,450,698)	(2,450,697)
Total comprehensive income	-	580,545	580,545
Balance at 31 December 2022	1	(1,870,153)	(1,870,152)

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Company Information

Westergate Opco Limited ("the Company") is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is One, Berkeley Street, London, W1J 8DJ.

The Company was incorporated on 29 January 2019 and operates Yotel Glasgow hotel since its opening in November 2020.

2. Accounting Policies

2.1 Basis of preparing the financial statements

These financial statements are prepared on a going concern basis and under the historical cost convention, in accordance with Section 1A of Financial Reporting Standard 102, 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 its judgement in the process of applying the Company's accounting policies.

2.2 Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 102 and has not provided:

- A Statement of Cash Flows.
- The remuneration of key management personnel.
- Related party transactions with two or more wholly owned members of the group.

2.3 Going concern

The Company made a profit of £580,545 for the year, but it is also in a net current liability position of £1,745,726, supported by cash in hand of £1,933,080, and overall net liability position of £1,870,152.

The Directors believe it is appropriate to prepare the financial statements on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and for at least 12 months from the date of approval of these financial statements. In formulating this assessment, the Directors have taken into consideration the historic and forecast profitability of the business and the actual and projected balance sheet and have carried out forecasts which have determined that there is no significant risk to their continuation as a financial and operational going concern. The Directors have also considered and incorporated the impact of external factors in their assessment, such as current macroeconomic uncertainties which are high energy costs, high inflation and continued supply chain challenges. This is on the basis of:

- The Company's profitability in 2022 and visible improvement in sales volumes;
- The Company's anticipated ability to maintain profitability in the foreseeable future.

The Directors are confident in the ability and willingness of group companies to continue to provide financial support for at least 12 months from the date of approval of these financial statements, which mitigates the net current liability and overall net liability position of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**2.4 Turnover**

Turnover represents income from the Hotel guests for accommodation and any other services provided to them.

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. Turnover is recognised upon delivery of the service provided and represents revenue generated from rooms, restaurant, bar, meeting rooms and sundry income all related to the Company's principal activity.

Turnover relates to the sale of hotel services provided solely in the UK.

2.5 Government grants

Government grants relating to the payroll costs of the employees furloughed due to the Covid-19 pandemic are recognised as *Other income* in the period they have been claimed for. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will meet all required conditions.

2.6 Cost of sales, administrative and other operating expenses

Cost of sales, administrative and other operating expenses are accounted for in the statement of comprehensive income on an accrual basis. Included within cost of sales are expenses which can reliably be allocated to the main operating departments.

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Furniture, fixtures and fittings	straight line over 3 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and they are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.8 Intangible assets

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and,
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Software is amortised over 3 years on a straight-line basis.

2.9 Trade debtors

Trade debtors are recognised at transaction value and are reviewed for impairment as and when circumstances indicate a provision is required. Where monies are received in advance of the service being provided the amounts are recorded within deferred income at the fair value of the consideration received.

2.10 Stocks

Stocks are stated at the lower of cost and selling price. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost is determined in the first-in, first-out method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

Where necessary, provision is made for obsolete, slow moving and defective stock based on expected sales volumes, ageing of stock and expected net sales prices.

2.11 Cash at bank and in hand

Cash represents cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 3 months. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**2.12 Financial instruments***Financial assets*

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price unless the arrangement constitutes a financing transaction, in which case the financial asset is measured at the present value of future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised costs are assessed for objective evidence of impairment. Any impairment loss is recognised in the Statement of Comprehensive Income.

If there is a subsequent decrease in the impairment loss, the impairment is reversed, up to the original carrying amount, and the impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, bank overdrafts and loans from related parties are initially recognised at transaction cost unless the arrangement constitutes a financing transaction, in which case the financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently carried at amortised cost using the effective interest method.

2.13 Taxation*Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Employees and Payroll

The average monthly number of employees was 94 (2021: 52).

	31 December 2022	31 December 2021
	£	£
Wages and salaries (incl. contracted labour)	1,705,037	937,442
Pensions	30,143	14,541
Other benefits	350,130	158,030
	<u>2,085,310</u>	<u>1,110,013</u>

4. Intangible Assets

	Software
	£
<i>Cost</i>	
At 1 January 2022	-
Additions	<u>2,681</u>
At 31 December 2022	2,681
<i>Accumulated amortisation</i>	
At 1 January 2022	-
Charge for the year	<u>(298)</u>
At 31 December 2022	(298)
<i>Net book value</i>	
At 1 January 2022	-
At 31 December 2022	<u>2,383</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Property, Plant and Equipment

	Furniture, fixtures and fittings £	IT equipment £	Total £
<i>Cost</i>			
At 1 January 2021	-	-	-
Additions	2,519	-	2,519
At 31 December 2021	2,519	-	2,519
Additions	52,377	5,823	58,200
At 31 December 2022	54,896	5,823	60,719
<i>Accumulated depreciation</i>			
At 1 January 2021	-	-	-
Charge for the year	(535)	-	(535)
At 31 December 2021	(535)	-	(535)
Charge for the year	(10,644)	(162)	(10,806)
At 31 December 2022	(11,179)	(162)	(11,341)
<i>Net book value</i>			
At 1 January 2021	-	-	-
At 31 December 2021	1,984	-	1,984
At 31 December 2022	43,717	5,661	49,378

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Deferred Tax Asset

	2022 £	2021 £
At beginning of year	-	-
Credited to profit and loss	585,413	-
At end of year	585,413	-

The deferred tax is made up as follows:

	31 December 2022 £	31 December 2021 £
Tax losses carried forward	592,198	-
Accelerated capital allowances	(6,785)	-
	585,413	-

7. Debtors: Amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Other debtors	344,795	158,577
Prepayments	191,846	69,390
	536,641	227,967

8. Creditors: Amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Trade creditors	(223,791)	(107,328)
Loan payable to group undertaking	(1,427,265)	(1,510,813)
Amounts due to group undertakings	(1,852,334)	(1,052,751)
Taxation and social security	(212,150)	(75,702)
Accruals and deferred income	(464,366)	(357,791)
Other creditors	(60,669)	-
	(4,240,575)	(3,104,385)

On 9 January 2020 the Company entered into a loan agreement with the immediate parent company SOF-11 Westergate Holdco Lux Sarl with a maximum facility level of £2,000,000. The facility expires on 9 January 2030, is repayable on demand, with no fixed repayments and bears an interest rate of 8%.

During the year, interest of £109,755 was charged to the interest bearing loan (2021: £97,242).

Amounts due to group undertakings are unsecured, interest free, have no fixed rate of repayment and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	31 December 2022	31 December 2021
	£	£
Step rent provision	(761,600)	(843,733)

10. Called Up Share Capital

Share capital is comprised of 1 ordinary, allotted and fully paid share of £1 nominal value (2021: 1 ordinary, allotted and fully paid share of £1 nominal value).

11. Operating Lease Commitments

	31 December 2022	31 December 2021
	£	£
Due in 1 year	1,792,000	1,792,000
Due in 2-5 years	7,168,000	7,168,000
Due in 5+ years	22,997,333	24,789,333
	<u>31,957,333</u>	<u>33,749,333</u>

12. Immediate and Ultimate Parent Undertakings

The Company's immediate parent undertaking is SOF-11 Westergate Holdco Lux Sarl and the ultimate parent undertaking is SOF-11 International SCSp. Both companies are incorporated in Luxembourg and their registered office is 2-4 Rue Eugene Ruppert, L-2453, Luxembourg. Group accounts are available at this address.

13. Contingent Liabilities

A fixed and floating charge exists over the trade and assets of the Company in respect of SOF-11 Westergate Propco Lux Sarl, a related party company. The maximum potential liability at 31 December 2022 was £20,000,000 (2021: £18,958,478).

14. Subsequent Events

There were no events post balance sheet date which would require disclosure in these financial statements.