

DIRECTOR'S REPORT

The sole director present his report and financial statements of OYO Hospitality UK Limited ("the Company") for the period ended 31st March 2020. The company was incorporated in England on 28th August, 2018. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal Activity

The Company is a gateway Company for further investment and expansion of OYO Group business in European, Japanese and United States Market.

Directors

The following directors held office during the financial year 2019-2020:

Mr. James Joseph Fyfe
Mr. Ritesh Agarwal

Mr. James Joseph Fyfe resigned from the office of director with effect from 24 September 2020 and Mr. Rishabh Kumar appointed as director w.e.f. February 9, 2021.

Going Concern

The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern.

The world has seen an unprecedented pandemic in the beginning of year 2020 which has impacted every industry across the world. Travel and Hospitality are among the worst hit due to the lock-down. OYO has been a leading brand in the hospitality industry, and not immune to the effect of COVID-19, the revenue impact of the crisis is significant.

However, despite this crisis, we have been working hard and taking several measures to structure OYO as a more efficient and resilient force to optimize the core capabilities of our business model and to minimize the financial impact by reducing all kinds of controllable costs. Based on current progress, the management does not foresee any stress on the Company's liquidity, as the Company has sufficient cash and cash equivalents as on 31 March, 2020, as the case may be and in any event of fund shortage, the Company will be supported by the ultimate parent company.

On these bases noted above, we consider it as appropriate to prepare the Company's financial statements on the going concern basis. The Company management does not anticipate any further significant adjustment in carrying values of assets and liabilities in this financial statements.

Disclosure of information to the auditor

The person who is director at the time when this Director's report is approved confirm that:

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

This confirmation is given and should be interpreted in accordance with the provisions of S-418 of the Companies Act 2006.

Directors' indemnities and insurance

The Directors of the Company have the benefit of the indemnity provisions contained in the Company's Articles of Association ('Articles'), and the Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Director's Responsibilities Statement

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless he is 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, International Accounting Standard 1 requires that the director:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The director is 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. He is 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.

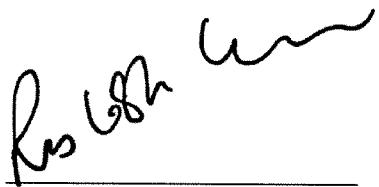
Subsequent Events

Subsequent to the year-end Mr. James Joseph Fyfe resigned from the directorship of the Company with effect from 24 September, 2020 and Mr. Rishabh Kumar appointed as director w.e.f. February 9, 2021.

OYO HOSPITALITY UK LIMITED
Company Number 11540609

Auditor

Albert Goodman LLP were appointed auditors have expressed their willingness to continue in office.



Rishabh Kumar
Director

Date: 2.3.2021

OYO Hospitality UK Limited
Independent auditor's report to the members of OYO Rooms and Hospitality (UK)
Limited

Opinion

We have audited the financial statements of OYO Hospitality UK Limited ('the company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of changes in equity, the Statement of Cash Flow and the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Effects of COVID-19

Our opinion is not modified in respect of this matter. However, as the company and wider OYO group operates within the tourism and leisure sector, a sector that has been adversely impacted by the Covid-19 pandemic, we draw attention to the Director's Report and Notes 2 of the financial statements. The director considers it appropriate to prepare the financial statements on a going concern basis. In forming this conclusion, the director has considered the future trading of the company and has obtained confirmation that the wider OYO group will provide, and is able to provide, financial and operational support as required.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located 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.



Christopher Walford (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor
Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX
Date 8/3/2021

OYO Hospitality UK Ltd.

Statement of comprehensive income for the period ended March 31, 2020

Particulars	Notes	For the period ended	For the period 28
		31 March 2020 £ 000	August 2018 to 31 March 2019 £ 000
REVENUE			
Revenue from operations	3	-	20
Other income	4	2,563	-
Total revenue		2,563	20
EXPENSES			
Operating expenses	5	-	(33)
Finance cost	6	(8,775)	-
Other expenses	7	(1,745)	(303)
Loss before tax		(7,957)	(316)
Income tax	8	-	-
Loss for the period		(7,957)	(316)
Other Comprehensive Income		-	-
Total comprehensive loss for the period		(7,957)	(316)

The accompanying notes are an integral part of the financial statements

All amounts relate to continuing activities.

OYO Hospitality UK Ltd.

Statement of Financial Position as at 31 March 2020

	Notes	As at	As at	
		31 March 2020 £ 000	31 March 2019 £ 000	
ASSETS				
Non-current assets				
Investment in subsidiaries	9	73,030	11,227	
Loans	10	178,559	-	
		251,589	11,227	
Current assets				
Trade Receivables	11	2,165	1,768	
Other assets	12	4,079	-	
Cash and cash equivalents	13	22,174	591	
Total assets		280,007	13,586	
EQUITY AND LIABILITIES				
Equity				
Issued capital	14	72,328	14	
Shares to be issued	14	3,891	13,559	
Capital Contribution		595		
Retained Earnings		(8,273)	(316)	
		68,541	13,257	
LIABILITIES				
Non Current liabilities				
Borrowings	15	205,855	-	
Current liabilities				
Trade and other payables	16	5,611	329	
Total liabilities		211,466	329	
Total equity and liabilities		280,007	13,586	

The accompanying notes are an integral part of the financial statements

Approved by the director on 2.3.2021



Rishabh Kumar
Director
Company Number 11540609

OYO Hospitality UK Ltd.

Statement of Cash Flows for the period ended March 31, 2020

	For the period ended 31 March 2020 £ 000	For the period 28 August 2018 to 31 March 2019 £ 000
Operating activities		
Loss before tax	(7,957)	(316)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Finance cost	8,775	-
Movements in working capital :		
Increase in trade receivables other current financial assets	(183,035)	(1,768)
Increase in trade payables	5,282	329
Net cash used in operating activities	<u>(176,935)</u>	<u>(1,755)</u>
Investing activities		
Investment in subsidiaries	(61,803)	(11,227)
Net cash flow used in investing activities	<u>(61,803)</u>	<u>(11,227)</u>
Financing activities		
Borrowings	205,855	-
Interest on borrowings	(8,775)	-
Proceeds from the issue of ordinary shares	58,755	14
Proceeds from Corporate guarantee cost	595	-
Proceeds from share capital to be issued	3,891	13,559
Net cash flow from financing activities	<u>260,321</u>	<u>13,573</u>
Net increase in cash and cash equivalents	21,583	591
Cash and cash equivalents at the end of the period	<u>22,174</u>	<u>591</u>

The accompanying notes are an integral part of the financial statements

OYO Hospitality UK Ltd.

Statement of changes in equity for the period ended March 31, 2020

	Share Capital £ 000	Shares to be issued £ 000	Capital Contribution £ 000	Retained Earnings £ 000	Total Equity £ 000
At 28 August 2018					
Share issued during the period	14	-	-	-	14
Shares to be issued	-	13,559	-	-	13,559
Loss for the period	-	-	-	(316)	(316)
At 31 March 2019	14	13,559	-	(316)	13,257
Share issued during the period	72,314	(13,559)	-	-	58,755
Shares to be issued	-	3,891	-	-	3,891
Corporate guarantee cost			595	-	595
Loss for the period	-	-	-	(7,957)	(7,957)
At 31 March 2020	72,328	3,891	595	(8,273)	68,541

The accompanying notes are an integral part of the financial statements

OYO Hospitality UK Ltd

Notes to Financial Statements for the period till 31 March 2020

1. Background

OYO Hospitality UK Ltd ("the 'Company") was incorporated in the United Kingdom on 28 August 2018 and is domiciled in the United Kingdom.

The Company has its principal office located in 4th Floor Mindspace Properties 114 Whitechapel High Street, The Relay Building, London, England, E1 7PT.

The company is a wholly owned subsidiary of Oravel Stays Singapore Pte Limited, a company incorporated in Singapore. The ultimate holding company is Oravel Stays Private Limited, a company incorporated in India.

These financial statements were authorised for issue in accordance with a resolution of the director on December 15,2020

The Financial Statements been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in compliance with the Companies Act 2006.

The preparation of financial statements in conformity with the EU adopted IFRS 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 (refer note 20).

The financial statements have been prepared under the historical cost convention.

2.2 Functional and presentation currency

These financial statements are presented in Pound Sterling, which is also the Company's functional currency. All amounts are rounded to the nearest Pound Sterling Thousands, unless stated otherwise.

2.3 Going Concern

The Company has cash flow forecasts, which indicate that the Company can continue as a going concern. In making this conclusion the Company has received confirmation from its ultimate holding company that financial support will be provided for a period of no less than 12 months from the date of approving these financial statements for issue.

The Company has evaluated the ability of the ultimate holding company to provide the required financial support.

The Company continues strives to generate material cash from its operations.

The director has concluded that there are no material uncertainties that may cast doubt over the Company's ability to continue as a going concern.

Significant accounting policies

2.4 Revenue from contract with customers

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value added tax, returns, rebates and discounts. Revenue is recognized on an accrual basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

2.5 Income tax

Current, Deferred Income Tax, Deferred Tax Asset and Liabilities

The tax expense comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In these cases the associated tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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 income tax is provided in full, using the liability method, on temporary differences which arise from the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

2.5 Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

2.6 Trade Receivables and other current financial assets

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as noncurrent assets.

Trade receivables are recognised at amortised cost using the effective interest method, if the impact of discounting is significant, less any provision for impairment.

Collectability of trade and non-trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within "impairment charges". When a trade and non-trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

OYO Hospitality UK Ltd**Notes to Financial Statements for the period till 31 March 2020**

Subsequent recoveries of amounts previously written off are credited against “impairment charges” in profit or loss.

2.7 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and in banks and all unrestricted time deposits with original maturities of three months or less at the time of placement.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.8 Share capital

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.

2.9 Trade and other payables

Trade payables are obligations to pay for goods, equipments or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.10 Segment Information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's operations pre-dominantly relate to provide accommodation services. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

2.11 Foreign currency transactions

In preparing the financial statements of Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized in functional currencies at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income (OCI) or profit or loss are also recognized in OCI or profit or loss, respectively).

Exchange differences on monetary items are recognized in statement of profit and loss in the period in which they arise.

2.12 Financial instruments**i. Recognition and initial measurement**

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

OYO Hospitality UK Ltd
Notes to Financial Statements for the period till 31 March 2020

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL.

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

It includes Trade receivables and non-trade receivables. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets

(ii) An investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

(iii) Fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. On 31 March 2020, the Company has no FVOCI financial assets.

Financial assets: Subsequent measurement, gains, and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

OYO Hospitality UK Ltd**Notes to Financial Statements for the period till 31 March 2020****Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Impairment**i. Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime expected credit losses (ECL). For all other financial assets expected credit losses are measured at an amount equal to the 12 month expected credit losses, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

OYO Hospitality UK Ltd**Notes to Financial Statements for the period till 31 March 2020**

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

ii. Impairment of non-financial assets

The Company's non-financial assets 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. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Reversal on impairment loss for assets other than goodwill would be recognised if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognised on profit or loss. Impairment losses relating to goodwill would not be reversed.

2.14 Related party transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities under common shareholdings, which includes entities that are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company, in its regular conduct of business, enters into transactions with related parties, which consists of sales and purchase transactions, leases and management and administrative service agreements and other short and long term funding arrangements.

2.15 Borrowings

Borrowings are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

OYO Hospitality UK Ltd.

Notes to Financial Statements for the period ended March 31, 2020

3. Revenue from contracts with customers

	For the period ended 31 March 2020 £ 000	For the period 28 August 2018 to 31 March 2019 £ 000
Disaggregated revenue information		
Type of services		
Sales of accommodation services	-	20
Total revenue from contracts with customers	-	20
Geographical markets		
United Kingdom	-	20
Total revenue from contracts with customers	-	20
Timing of revenue recognition		
Goods and services transferred at a point in time	-	20
Total revenue from contracts with customers	-	20

4. Other income

	For the period ended 31 March 2020 £ 000	For the period 28 August 2018 to 31 March 2019 £ 000
Interest income	260	-
Interest income on loan to group companies	2,303	-
Total	2,563	-

5. Operating expenses

	For the period ended 31 March 2020 £ 000	For the period 28 August 2018 to 31 March 2019 £ 000
Cost of revenue	-	20
Loss from bookings	-	12
Total	-	33

6. Finance costs

	For the period ended 31 March 2020 £ 000	For the period 28 August 2018 to 31 March 2019 £ 000
Interest on Borrowings	8,180	-
Corporate guarantee cost	595	-
Total	8,775	-

OYO Hospitality UK Ltd.

Notes to Financial Statements for the period ended March 31, 2020

7. Other expenses

	For the period ended 31 March 2020 £ 000	For the period 28 August 2018 to 31 March 2019 £ 000
Management fees	-	296
Auditors remuneration for audit fees	5	8
Bank charges	12	1
Legal and professional fee	768	-
Exchange Loss/ (Gain)	960	(2)
	1,745	303

There is no staff cost. Further, remuneration paid to the directors by the Company is nil. The directors are also directors of other companies in the enlarged group of which the company is a member. They are remunerated by other group companies and are considered to have minimal qualifying services in respect of the Company.

8. Income Tax

	For the period ended 31 March 2020 £ 000	For the period 28 August 2018 to 31 March 2019 £ 000
The tax assessed for the year differs from the average rate of corporation tax in the UK of 19%. The differences are explained below:		
Loss before tax	(7,957)	(316)
Loss before tax at 19% (average rate for the year)	(1,512)	(60)
<i>Effects of</i>		
Deferred tax not recognised on net losses	1,512	60
Tax charge for the year	-	-

The deferred tax losses are only recognised as a deferred tax asset once it is considered more likely than not that they will be recoverable against future taxable trading profits arising in the Company. Tax losses have been carried forward for potential future offset against future profits.

OYO Hospitality UK Ltd.

Notes to Financial Statements for the period ended March 31, 2020

9. Investments in subsidiaries

	Company	Percentage of shares held	Country of incorporation	Principal activity	As at	As at
					31 March 2020 £ 000	31 March 2019 £ 000
Non-trade, Unquoted investments (valued at cost)						
Ordinary shares in OYO Rooms and Hospitality UK Ltd		100%	UK	Hospitality	55,521	3,010
Preference shares in OYO Rooms And Hospitality UK Ltd		100%	UK	Hospitality	16,816	7,525
Oravel Hotels Mexico S De RI De Cv		100%	North America	Hospitality	1	-
OYO Technology and Hospitality Japan KK		66%	Japan	Hospitality	14	14
OYO Hotels Japan GK		50%	Japan	Hospitality	678	678
Total					73,030	11,227

10. Loans

		As at	As at
		31 March 2020 £ 000	31 March 2019 £ 000
Loans to Group Undertakings*			
Interest Receivable on Loan - Group		177,005	-
		1,554	-
		178,559	-

*Interest, Security and maturity is governed by agreements entered with respective group undertakings in accordance with prevailing arms length principles.

11. Trade Receivables

		As at	As at
		31 March 2020 £ 000	31 March 2019 £ 000
Receivables from third-party customers			
Receivables from related parties (Refer Note 17)		2,163	1,766
Total		2,165	1,768

Terms and conditions of the above financial assets:

All outstanding balances are unsecured and settled in cash, which are settled on receipt or provision of service by the parties. These are unsecured, non-interest bearing and not covered by any guarantee.

12. Other current asset

		As at	As at
		31 March 2020 £ 000	31 March 2019 £ 000
Prepaid expense		4,079	-
		4,079	-

13. Cash and cash equivalents

		As at	As at
		31 March 2020 £ 000	31 March 2019 £ 000
Cash at bank		22,174	591
Total		22,174	591

OYO Hospitality UK Ltd.

Notes to Financial Statements for the period ended March 31, 2020

14. Share capital

	As at 31 March 2020 £ 000	As at 31 March 2019 £ 000
Ordinary Shares		
Shares of GBP 1 each	72,328	14

(i) Terms/rights attached to equity shares

72,313,867 shares were issued to Oravel Stays Singapore PTE LTD. during the period for no premium. The Company has only one class of shares having a par value of GBP 1 per share. Each holder of equity shares is entitled to one vote per share and equal rights in distribution of profit/surplus in proportionate to the share held by shareholder. In the event of liquidation of the Company, the holders of shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

(ii) Share Capital to be issued

3,891,000 (31 March 2019: 13,558,634) shares are to be issued to Oravel Stays Singapore PTE LTD as on 31 March 2020.

OYO Hospitality UK Ltd.

Notes to Financial Statements for the period ended March 31, 2020

15. Borrowings

	As at 31 March 2020 £ 000	As at 31 March 2019 £ 000
Other long term loans*	171,641	-
Loan from related party**	34,214	-
	205,855	-

* Loan is secured against first charge over the cash collateral held in UK, first charge over the collections account, first charge over all inter-company receivables lent using money from the facility; and unsecured corporate guarantee from Oravel Stays Singapore Pte. Limited. The interest rate at the close of business on 31 March 2020 was Index + 5.75% p.a. with Index linked to LIBOR.

** Interest, Security and maturity is governed by agreements entered with respective group undertakings in accordance with prevailing arms length principles.

16. Trade and other payables

	As at 31 March 2020 £ 000	As at 31 March 2019 £ 000
Related parties (Refer Note 17)	554	312
Interest Payable	4,996	-
Interest payable on loan - Group	33	-
Accruals	19	8
Other payables	9	9
	5,611	329

Trade and other payables to third parties are non-bearing interest and are generally on a 14-30 days' term.

Trade payables to related parties are unsecured, interest-free and are repayable on demand.

OYO Hospitality UK Ltd.

Notes to Financial Statements for the period ended March 31, 2020

17. Related party disclosures

In the normal course of business, the Company transacts with companies, which are considered related parties under IAS 24, "Related Party Disclosures".

**a) Names of related parties and related party relationship
(with whom transactions have taken place)**

Ultimate Holding Company
Holding Company

Oravel Stays Private Limited
Oravel Stays Singapore Pte Ltd.

Subsidiaries, Fellow Subsidiaries and step-down
subsidiaries

OYO Rooms Hospitality Sdn. Bhd.
OYO Technology And Hospitality China Pte Ltd.
OYO Technology And Hospitality (UK) Limited
OYO Technology And Hospitality (Thailand) Ltd
OYO Rooms And Hospitality UK Limited
OYO Hotels (Singapore) Pte. Ltd.
OYO Hotels Netherlands B.V.
OYO Hotels LLC
OYO Rooms & Technology LLC
Oravel Hotels Mexico S. De R.L. De C.V.
OYO Brazil Servicos De Turismo Ltda
OYO Technology & Hospitality (Vietnam) LLC
OYO Hospitality Netherlands BV
OYO Vacation Homes UK Ltd
Oravel Stays Private Limited
OYO Technology&Hospitality Japan KK
OYO Hotels Japan GK
OYO Technologies & Hospitality (UK) Ltd

Key Management Personnel

Mr. James Joseph Fyfe
Mr. Ritesh Agarwal
Mr. Rishabh Kumar

b) Related party transactions:

Particulars	For the period ended 31 March 2020	For the period 28 August 2018 to 31 March 2019
	£ 000	£ 000
Ordinary Shares allotted during the period		
Oravel Stays Singapore Pte Ltd.	72,314	14
	72,314	14
Share application money pending allotment		
Oravel Stays Singapore Pte Ltd.	3,891	13,559
	3,891	13,559
Investment made during the period		
Oyo Technology & Hospitality Japan KK	-	14
Oyo Rooms And Hospitality Uk Ltd-Ordinary Shares	52,511	3,010
Oyo Rooms And Hospitality Uk Ltd- Preference Shares	9,291	7,525
Oyo Hotels Japan GK	-	678
Oravel Hotels Mexico S De RL De Cv	1	-
	61,803	11,227

Expenses incurred by Company on behalf of related party		
Oravel Hotels Mexico S. De R.L. De C.V.	-	32
YOY Technologies & Hospitality (UK) Ltd	-	1,167
YOY Hotels LLC USA	-	475
YOY Hotels Japan GK	-	92
	-	1,766
Expenses incurred by related party on behalf of Company		
Oravel Stays Singapore Pte Ltd	540	14
YOY Technology And Hospitality (UK) Limited	35	-
	576	14
Service taken from:		
Oravel Stays Private Limited	-	296
	-	296
Loan granted during the period		
Oravel Hotels Mexico S. De R.L. De C.V.	19,126	-
Oravel Stays Singapore Pte Ltd	112,683	-
Oyo Brazil Servicos De Turismo Ltda	8,069	-
Oyo Hospitality Netherlands Bv	5,236	-
Oyo Hotels (Singapore) Pte. Ltd.	15,972	-
Oyo Hotels LLC	61,150	-
Oyo Hotels Netherlands Bv	1,251	-
Oyo Rooms & Technology LLC	2,421	-
Oyo Rooms And Hospitality Uk Limited	18	-
Oyo Rooms Hospitality Sdn Bhd	6,960	-
Oyo Technology & Hospitality (Uk) Ltd	7,300	-
Oyo Technology & Hospitality (Vietnam)	1,614	-
Oyo Technology And Hospitality (China) Pte Ltd	73,463	-
Oyo Technology And Hospitality (Thailand) Co., Ltd.	3,497	-
Oyo Vacation Homes Uk Ltd	0	-
	318,760	-
Borrowed during the period		
Oravel Stays Singapore Pte Ltd	34,214	-
	34,214	-
Loan Repaid during the period		
Oyo Hospitality Netherlands Bv	2,321	-
Oyo hotels LLC	23,185	-
Oravel Stays Singapore Pte Ltd	112,066	-
YOY Hotels (Singapore) Pte. Ltd.	4,182	-
	141,755	-

Interest income on loan granted

Oravel Hotels Mexico S. De R.L. de C.V.	189	-
OYO Brazil Servicos De Turismo Ltda	118	-
Oyo Hospitality Netherlands Bv	24	-
Oyo hotels LLC	404	-
Oyo Hotels Netherlands Bv	12	-
OYO Rooms & Technology LLC	20	-
Oyo Rooms And Hospitality Uk Limited	10	-
Oyo Technology & Hospitality (Uk) Ltd	84	-
Oyo Vacation Homes Uk Ltd	1	-
Oravel Stays Singapore Pte Ltd	636	-
OYO Rooms Hospitality SDN BHD	50	-
Oyo Technology & Hospitality (Vietnam)	13	-
Oyo Technology And Hospitality (China) Pte Ltd	607	-
OYO Technology and Hospitality (Thailand) Co., Ltd.	33	-
OYO Hotels (Singapore) Pte. Ltd.	102	-
	2,303	-

Interest received on loan granted

Oyo Hospitality Netherlands Bv	1	-
Oyo hotels LLC	40	-
Oravel Stays Singapore Pte Ltd	632	-
OYO Hotels (Singapore) Pte. Ltd.	66	-
Oyo Rooms And Hospitality Uk Limited	10	-
	749	-

Interest expense on borrowings

Oravel Stays Singapore Pte Ltd	33	-
	33	-

c) Related party balances:

Particulars	As at	
	31 March 2020 £ 000	31 March 2019 £ 000
Receivable from Group Companies		
Oravel Hotels Mexico S. De R.L. De C.V.	151	32
Oyo Technologies & Hospitality (UK) Ltd	-	1,167
Oyo Hotels LLC USA	511	475
Oyo Brazil Servicos De Turismo Ltda	183	-
Oyo Rooms And Hospitality UK Limited	12	-
Oyo Technology & Hospitality (UK) Ltd	1,131	
Oyo Hotels Japan GK	174	92
	2,163	1,766
Payable to Group Companies		
Oravel Stays Singapore Pte Ltd	554	14
Oravel Stays Private Limited	-	298
	554	312
Loan granted during the period		
Oravel Hotels Mexico S. De R.L. De C.V.	19,126	-
Oravel Stays Singapore Pte Ltd	617	-
Oyo Brazil Servicos De Turismo Ltda	8,069	-
Oyo Hospitality Netherlands Bv	2,915	-
Oyo Hotels (Singapore) Pte. Ltd.	11,790	-
Oyo Hotels Llc	37,965	-
Oyo Hotels Netherlands Bv	1,251	-
Oyo Rooms & Technology LLC	2,421	-
Oyo Rooms And Hospitality Uk Limited	18	-
Oyo Rooms Hospitality Sdn Bhd	6,960	-
Oyo Technology & Hospitality (UK) Ltd	7,300	-
Oyo Technology & Hospitality (Vietnam)	1,614	-
Oyo Technology And Hospitality (China) Pte Ltd	73,463	-
Oyo Technology And Hospitality (Thailand) Co., Ltd.	3,497	-
Oyo Vacation Homes UK Ltd	0	-
	177,005	-
Borrowings		
Oravel Stays Singapore Pte Ltd	34,214	-
	34,214	-

Interest accrued but not due

Oravel Hotels Mexico S. De R.L. De C.V.	189	-
Oravel Stays Singapore Pte Ltd	3	-
Oyo Brazil Servicos De Turismo Ltda	118	-
Oyo Hospitality Netherlands Bv	23	-
Oyo Hotels (Singapore) Pte. Ltd.	36	-
Oyo Hotels LLC	364	-
Oyo Hotels Netherlands Bv	12	-
Oyo Rooms & Technology LLC	20	-
Oyo Rooms And Hospitality UK Limited	-	-
Oyo Rooms Hospitality Sdn Bhd	50	-
Oyo Technology & Hospitality (UK) Ltd	84	-
Oyo Technology & Hospitality (Vietnam)	13	-
Oyo Technology And Hospitality (China) Pte Ltd	607	-
Oyo Technology And Hospitality (Thailand) Co., Ltd.	33	-
Oyo Vacation Homes UK Ltd	1	-
Oyo Hotels Japan GK	-	-
	1,554	-

Interest accrued on borrowings but not due

Oravel Stays Singapore Pte Ltd	33	-
	33	-

Terms and conditions

Goods and services were sold to the related parties during the period based on the price lists in force / other appropriate basis, as applicable, and terms that would be available to third parties.

All outstanding balances except borrowings and loans granted are unsecured and settled in cash, which are settled on receipt or provision of service by the parties. These are unsecured, non-interest bearing and not covered by any guarantee. Borrowings and loans granted are governed by agreements entered with the related party.

18. Foreign currency denominated assets and liabilities

The Company's foreign currency assets and liabilities as at 31 March 2020 are as follows

Currency	Assets 000's	Liabilities 000's	Net Liabilities	Exchange Rate	GBP Equivalent 000's
United State Dollars	243,738	(261,340)	(17,602)	0.81	(14,204)
EURO	900	-	900	0.89	803
MYR	-	(2,982)	(2,982)	0.19	(554)

The Company's foreign currency assets and liabilities as at 31 March 2019 are as follows

Currency	Assets 000's	Liabilities 000's	Net Liabilities	Exchange Rate	GBP Equivalent 000's
Indian Rupees	-	26,856	(26,856)	0.01	(298)
United State Dollars	587	-	587	0.77	450
Singapore Dollars	-	25	(25)	0.57	(14)

19. Financial Risk Management**A. Financial risk management objectives and policies**

The entity's principal financial liabilities majorly comprises of borrowings and trade payables. The main purpose of these financial liabilities is to finance the entity's operations and to provide guarantees to support its operations. The entity's principal financial assets include trade and other receivables and cash and short-term deposits that derive directly from its operations.

The entity is exposed to market risk, credit risk and liquidity risk. The entity's senior management oversees the management of these risks. The entity's senior management is responsible for ensuring that the entity's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the entity's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the entity's policy that no trading in derivatives for speculative purposes may be undertaken. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade payables and trade receivables.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to interest rate arises primarily from cash and cash equivalents. A change in interest rates at the reporting date would not affect significantly on profit or loss and equity.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The entity's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

At 31 March 2020, foreign currency exposure is not hedged by a derivative instrument.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in INR, SGD and USD exchange rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	31 March 2020	
	Change in Exchange rate	Impact on Loss Effect on profit/(loss) before tax £ 000
USD Sensitivity	+5%	(710)
	-5%	710
EURO Sensitivity	+5%	40
	-5%	(40)
MGR Sensitivity	+5%	(28)
	-5%	28

	31 March 2019	
	Change in Exchange rate	Impact on Loss Effect on profit/(loss) before tax £ 000
USD Sensitivity	+5%	(15)
	-5%	15
EURO Sensitivity	+5%	1
	-5%	(1)
MGR Sensitivity	+5%	23
	-5%	(23)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Cash and cash equivalents

Credit risk from balances with banks is managed by the entity's treasury department in accordance with the entity's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the entity's top management on an annual basis, and may be updated throughout the period subject to approval of the entity Authorities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The entity monitors its risk of a shortage of funds via liquidity planning exercise.

The entity's objective is to maintain a balance between continuity of funding and flexibility through the use of short term and long term loans and borrowings. The entity's treasury function reviews the liquidity position on an ongoing basis. The entity assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The entity has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments.

	On Demand	0 to 1 year	More than 1 year £	Total
	£ 000	£ 000	000	£ 000
As at 31 March 2020				
Trade and other payables	28	-	-	28
Related parties (Refer Note 17)	-	554	-	554
Loans (Internal)	-	33	34,214	34,247
Loans (External)	-	4,996	171,641	176,637
	28	5,583	205,855	211,466
As at 31 March 2020				
Trade and other payables	312	9	-	321
	312	9	-	321

B. Capital Management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares or raise borrowings.

C. Fair value of financial assets and financial liabilities

a. Classification

	As at 31 March 2020 £ 000	As at 31 March 2019 £ 000
	Carrying Amount	Carrying Amount
Financial assets		
Non Current assets		
Loans	178,559	-
Current assets		
Cash and cash equivalents	22,174	591
Other current financial assets	2,165	1,768
Total financial assets	202,898	2,359
Financial Liabilities		
Borrowings	205,855	-
Trade and other payables	5,611	329
Total financial liabilities	211,466	329

b. Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between parties in an arm's length transaction.

The Company determined the fair value measurement for disclosure purposes of each class of financial assets and financial liabilities based on the following methods and assumptions:

Receivables/Payables are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

20. Key accounting estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of

causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

b) Impairment of investment in subsidiaries

The Company conducts impairment reviews of investment in subsidiaries whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

c) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

d) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost; At each reporting date, the Company assesses whether financial assets carried at amortised cost and securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime expected credit losses (ECL). For all other financial assets expected credit losses are measured at an amount equal to the 12 month expected credit losses, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

21. Controlling Party

Immediate Holding Company	Oravel Stays Singapore Pte Ltd.
Ultimate Holding Company	Oravel Stays Private Limited
Smallest and largest group for which group accounts are prepared that include the results of the company	Oravel Stays Private Limited
Group accounts publically available	No

22. Application of new and revised International Financial Reporting Standards (IFRSs)

New and amended Standards and Interpretations applied

The following new and amended Standards and Interpretations have been issued and are effective for the current financial period of the company.

Impact of initial application of IFRS 16 Leases

In the current year, the company has applied IFRS 16 (as issued by the IASB in January 2016) which is effective for annual periods that begin on or after 1 January 2019. IFRS 16 introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

The presentation of the lease in the statement of cash flows changes under IFRS 16, in that:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are part of operating activities;
- Cash payments for the interest portion of a lease liability have been classified as financing activities; and
- Cash payments for the capital portion of a lease liability are included as part of financing activities.

In the current year, the company has applied a number of amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2019. This has not had any material impact on the amounts reported for the current and prior years.

Standard or Interpretation

Annual Improvements to IFRSs: 2015–2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs

Effective for annual periods commencing on or after

1-Jan-19

IFRIC 23 Uncertainty over Income Tax Treatments

1-Jan-19

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation

Amendments to IAS 1 and IAS 8 – definition of material

Effective for annual periods commencing on or after

1-Jan-20

Amendments to IFRS 3 – definition of a business

1-Jan-20

Conceptual Framework – Amendments to References to the Conceptual Framework in IFRS Standards

1-Jan-20

As yet, none of these have been endorsed for use in the EU and will not be adopted until such time as endorsement is confirmed. The directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.