

OYO Hospitality UK Limited

Financial statements for the year ended 31 March 2021

Company Number: 11540609

OYO HOSPITALITY UK LIMITED
Company Number 11540609

COMPANY INFORMATION

Company number

11540609

Directors

Mr. Rakesh Kumar

Mr. Ayush Mathur

Auditors

Albert Goodman LLP

Goodwood House

Blackbrook Park Avenue

Taunton

TA1 2PX

Registered office

Mindspace Properties

9, Appold Street

London

England

EC2A 2AP

Registered Address : Mindspace Properties, 9 Appold Street, London, EC2A 2AP, United
Kingdom

OYO HOSPITALITY UK LIMITED
Company Number 11540609

STRATEGIC REPORT

The director presents his strategic report for the year ended 31 March 2021.

The company is a wholly owned subsidiary undertaking 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.

Principal activity

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

Fair review of the business

The company's principal activity is that of an investment holding company. The company's investments are in other group companies.

The performance for the year and financial position at the yearend are set out on pages 1 and 2 respectively.

The director does not anticipate any significant change to the company's operations and performance over the next 12 months.

Principal risks and uncertainties

The company is an intermediate holding company and so the most significant risk is the underperformance of its investments. The company's subsidiary undertaking provides hospitality services to the hotel sector. The directors are confident that the established strategies within its investment will ensure success.

As noted within the going concern section of the Directors' Report the world has seen an unrepresented pandemic over the past 20 – 24 months, with the hospitality sector being severely impacted. 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.

The directors' assessment, having made appropriate enquiry of management, is that the company is a going concern. The directors have assessed the performance of its investment and, if required, available support from the wider OYO group.

Financial key performance indicators ('KPI')

Given the straightforward nature of the business, the director is of the opinion that analysis of KPIs is not necessary for an understanding of the development, performance or position of the company.

Approved by the Board on 20 September 2021 and signed on its behalf by:



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Rakesh Kumar

Registered Address : Mindspace Properties, 9 Appold Street, London, EC2A 2AP, United Kingdom

OYO HOSPITALITY UK LIMITED
Company Number 11540609

DIRECTORS' REPORT

The directors present their report and financial statements of OYO Hospitality UK Limited ("the Company") for the period ended 31st March 2021. The company was incorporated in England on 28th August, 2018.

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 2020-2021

and at the date of signing this report:

Mr. Rakesh Kumar - Appointed on 7 September 2021

Mr. Ayush Mathur - Appointed on 7 September 2021

Mr. Ritesh Agarwal - Resigned on 7 September 2021

Mr. Rishabh Kumar - Appointed on 9 February 2021 and resigned 7 September 2021

Mr. James Joseph Fyfe - Resigned 24 September 2020

Going Concern

The world has seen an unprecedented pandemic at the beginning of 2020 which has impacted every industry across the world. Travel and Hospitality are among the worst hit due to the lock-down. Guests not walking through the doors has meant that revenues have disappeared. OYO has been a leading brand in the hospitality industry, and not immune to the effect of COVID-19, with the revenue impact of the crisis being significant. Beyond economic downturn, COVID-19 has created an environment of uncertainty which is still continuing.

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.

Though we are far from recovering fully to pre-COVID levels, I confirm that I have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Having made due and careful enquiry of other group companies, the director consider that there are no material uncertainties that may cast doubt over the Company's ability to continue as a going concern. For this reason, we continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditor

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

Registered Address : Mindspace Properties, 9 Appold Street, London, EC2A 2AP, United Kingdom

OYO HOSPITALITY UK LIMITED
Company Number 11540609

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.

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that the directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. Make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

Financial instruments

Objectives and policies

The company's principal financial instruments at the year-end comprise amounts owed by/to group undertakings. The main purpose of these instruments is to provide finance for the company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

Due to the nature of the financial instruments used by the company, there is little exposure to these risks. However, it is noted that impairment of group investments and debts are managed and monitored closely to ensure any risk can be addressed and mitigated.

Future Developments

The future developments of the business are included within the strategic report.

Subsequent Events

Subsequent to the year-end Mr. Ritesh Agarwal and Mr. Rishabh Kumar resigned from the directorship of the Company with effect from 7 September, 2021 and Mr .Rakesh Kumar and Mr Aysuh Mathur appointed as director of the company.


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OYO HOSPITALITY UK LIMITED
Company Number 11540609

Subsequent to the year-end the company repaid the entire Greensill Loan amounting 121 MN GBP

Auditor

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



Rakesh Kumar
Director

Date: 20 September 2021

Registered Address : Mindspace Properties, 9 Appold Street, London, EC2A 2AP, United
Kingdom

Opinion

We have audited the financial statements of OYO Hospitality UK Ltd (the 'company') for the year ended 31 March 2021, which comprise the statement of profit and loss, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and the notes to the financial statements, including 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 United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; 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 Note 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 obtained confirmation that the wider OYO group will provide, and is able to provide, financial and operation support as required. The pandemic has presented uncertainties on the future projections and carrying value of assets. The actual results may differ from such estimates depending on future developments.

Conclusions relating to going concern

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

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

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

Other information

The directors are 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out within the directors' report, 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.

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

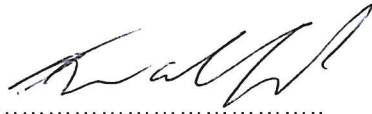
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



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Christopher Walford (Senior Statutory Auditor)

For and behalf of Albert Goodman LLP, Statutory Auditor
Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date 21 September 2021

OYO Hospitality UK Ltd.

Statement of comprehensive income for the period ended March 31, 2021

Particulars	Notes	For the period ended 31 March 2021 £ 000	For the period ended 31 March 2020 £ 000
REVENUE			
Revenue from operations	3	-	-
Other income	4	3,894	2,563
Total revenue		3,894	2,563
EXPENSES			
Operating expenses	5	-	-
Finance cost	6	(34,486)	(8,775)
Other expenses	7	(1,431)	(1,745)
Loss before tax		(32,023)	(7,957)
Income tax	8	-	-
Loss for the period		(32,023)	(7,957)
Other Comprehensive Income		-	-
Total comprehensive loss for the period		(32,023)	(7,957)

The accompanying notes are an integral part of the financial statement:
All amounts relate to continuing activities

OYO Hospitality UK Ltd.
Statement of Financial Position as at 31 March 2021

	Notes	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
ASSETS			
Non-current assets			
Investment in subsidiaries	8	73,030	73,030
Loans	9	163,540	178,559
		236,570	251,589
Current assets			
Trade Receivables	10	2,172	2,165
Other assets	11	103	4,079
Cash and cash equivalents	12	76,410	22,174
Total assets		315,255	280,007
EQUITY AND LIABILITIES			
Equity			
Issued capital	13	133,290	72,328
Shares to be issued	13	21,506	3,891
Capital Contribution		1,481	595
Retained Earnings		(40,295)	(8,273)
		115,981	68,541
LIABILITIES			
Non Current liabilities			
Borrowings	14	72,091	205,855
Current liabilities			
Borrowings	15	121,166	-
Trade and other payables	16	6,017	5,611
Total liabilities		199,273	211,466
Total equity and liabilities		315,255	280,007

The accompanying notes are an integral part of the financial statements

Approved by the director on 20 September 2021



Rakesh Kumar

Director

Company Number 11540609

OYO Hospitality UK Ltd.

Statement of Cash Flows for the period ended March 31, 2021

	For the period ended 31 March 2021 £ 000	For the period ended 31 March 2020 £ 000
Operating activities		
Loss before tax	(32,023)	(7,957)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Finance cost	34,486	8,775
Movements in working capital :		
(Decrease) / increase in trade receivables other current financial assets	18,988	(183,035)
Increase in trade payables	407	5,282
Net cash used in operating activities	21,858	(176,935)
Investing activities		
Investment in subsidiaries	-	(61,803)
Net cash flow used in investing activities	-	(61,803)
Financing activities		
Borrowings	(12,599)	205,855
Interest on borrowings	(34,486)	(8,775)
Proceeds from the issue of ordinary shares	57,071	58,755
Proceeds from Corporate guarantee cost	886	595
Proceeds from share capital to be issued	21,506	3,891
Net cash flow from financing activities	32,379	260,321
Net increase in cash and cash equivalents	54,236	21,583
Cash and cash equivalents at the end of the period	76,410	22,174

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, 2021

	Share Capital £ 000	Shares to be issued £ 000	Capital Contribution £ 000	Retained Earnings £ 000	Total Equity £ 000
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
Share issued during the period	60,962	(3,891)	-	-	57,071
Shares to be issued	-	21,506	-	-	21,506
Corporate guarantee cost	-	-	886	-	886
Loss for the period	-	-	-	(32,023)	(32,023)
At 31 March 2021	133,290	21,506	1,481	-40,295	115,981

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 2021

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 Mindspace Properties, 9 Appold Street, London, EC2A 2AP, United Kingdom.

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 directors on 20 September 2021

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 UK and in compliance with the Companies Act 2006.

The preparation of financial statements in conformity with the UK 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.

Reduced disclosure exemptions

The company is a qualifying entity for the purposes of IFRS, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company. Which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

The financial statements of the company are consolidated in the financial statements of Oravel Stays Private Limited. The consolidated statements are filed at Companies House as required by s.401 of the Companies Act 2006.

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 2021

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, equipment 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 2021

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 2021, 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.

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.

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Notes to Financial Statements for the period till 31 March 2021

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.

3. Revenue from contracts with customers		
	For the period ended 31 March 2021 £ 000	For the period ended 31 March 2020 £ 000
Disaggregated revenue information		
Type of services		
Sales of accommodation services	-	-
Total revenue from contracts with customers	-	-
Geographical markets		
United Kingdom	-	-
Total revenue from contracts with customers	-	-
Timing of revenue recognition		
Goods and services transferred at a point in time	-	-
Total revenue from contracts with customers	-	-
4. Other income		
	For the period ended 31 March 2021 £ 000	For the period ended 31 March 2020 £ 000
Interest income	82	260
Interest income on loan to group companies	3,812	2,303
	3,894	2,563
5. Operating expenses		
	For the period ended 31 March 2021 £ 000	For the period ended 31 March 2020 £ 000
Cost of revenue	-	-
Loss from bookings	-	-
	-	-
6. Finance costs		
	For the period ended 31 March 2021 £ 000	For the period ended 31 March 2020 £ 000
Interest on Borrowings	33,532	8,180
Other Finance charge	68	-
Corporate guarantee cost	886	595
	34,486	8,775

7. Other expenses

	For the period ended 31 March 2021 £ 000	For the period ended 31 March 2020 £ 000
Management fees	969	-
Auditors remuneration for audit fees	6	5
Bank charges	2	12
Legal and professional fee	26	768
Exchange Loss/ (Gain)	428	960
	1,431	1,745

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.

OYO Hospitality UK Ltd.
Notes to Financial Statements for the period ended March 31, 2021

8. Investments in subsidiaries

				As at 31 March 2021	As at 31 March 2020 £ 000
Non-trade, Unquoted investments (valued at cost)					
Company	Percentage of shares held	Country of incorporation	Principal activity		
Ordinary shares in OYO Rooms and Hospitality UK Ltd	100%	UK	Hospitality	55,521	55,521
Preference shares in OYO Rooms and Hospitality UK Ltd	100%	UK	Hospitality	16,816	16,816
Oravel Hotels Mexico S De Rl De Cv	100%	North America	Hospitality	1	1
OYO Technology and Hospitality Japan KK	66%	Japan	Hospitality	14	14
OYO Hotel's Japan GK	50%	Japan	Hospitality	678	678
Total				73,030	73,030

9. Loans

	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Loans to Group Undertakings	159,284	177,005
Interest Receivable on Loan - Group	4,255	1,554
	163,540	178,559

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

10. Trade Receivables

	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Receivables from third-party customers	2	2
Receivables from related parties (Refer Note 17)	2,170	2,163
Total	2,172	2,165

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.

11. Other current asset

	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Withholding Tax recoverable	100	-
Prepaid expense	2	4,079
FDR Interest Receivable	1	-
	103	4,079

12. Cash and cash equivalents

	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Cash at bank	43,676	22,174
Fixed Deposit	32,734	-
Total	76,410	22,174

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Notes to Financial Statements for the period ended March 31, 2021

13. Share capital

	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Ordinary Shares		
Shares of GBP 1 each	133,290	72,328
	133,290	72,328

(i) Terms/rights attached to equity shares

60,962,063 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 proportionate to the share held by the 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

21,505,667 (3,891,000 as on 31 March 2020 and 13,558,634 as on 31 March 2019) shares are to be issued to Oravel Stays Singapore PTE LTD as on 31 March 2021.

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Notes to Financial Statements for the period ended March 31, 2021

14. Borrowings

	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Other long term loans	-	171,641
Loan from related party	72,091	34,214
	72,091	205,855

The loan is repayable as per dates mentioned in respective loan agreements and interest is calculated in accordance with prevailing arm's length principles.

15. Borrowings

	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Other long term loans	121,166	-
	121,166	-

16. Trade and other payables

	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Related parties (Refer Note 17)	1,554	554
Interest Payable	4,408	4,996
Interest payable on loan - Group	19	33
Accruals	26	19
Other payables	10	9
	6,017	5,611

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.

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 Hotels and Homes Pvt. Ltd.
OYO Apartments Investments LLP
OYO MYPREFERRED UK LTD
OYO Technologies & Hospitality (UK) Ltd

Key Management Personnel

Mr. Ritesh Agarwal Resigned on 7 September 2021
Mr. Rishabh Kumar Resigned on 7 September 2021
Mr. James Joseph Fyfe Resigned on 24 September 2021
Mr. Ayush Mathur Appointed on 7 September 2021
Mr. Rakesh Kumar Appointed on 7 September 2021

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Notes to Financial Statements for the period ended March 31, 2021

b) Related party transactions:

Particulars	For the period ended 31 March 2021 £ 000	For the period ended 31 March 2020 £ 000
Ordinary Shares allotted during the period		
Oravel Stays Singapore Pte Ltd.	60,962	72,314
	60,962	72,314
Share application money pending allotment		
Oravel Stays Singapore Pte Ltd.	21,506	3,891
	21,506	3,891
Investment made during the period		
Oyo Technology & Hospitality Japan KK	-	-
Oyo Rooms And Hospitality Uk Ltd-Ordinary Shares	-	52,511
Oyo Rooms And Hospitality Uk Ltd- Preference Shares	-	9,291
Oyo Hotels Japan GK	-	-
Oravel Hotels Mexico S De RI De Cv	-	1
	-	61,803

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Notes to Financial Statements for the period ended March 31, 2021

Expenses incurred by Company on behalf of related party

Oravel Hotels Mexico S. De R.L. De C.V.	-	-
OYO Technologies & Hospitality (UK) Ltd	-	-
OYO Hotels LLC USA	-	-
OYO Hotels Japan GK	-	-
	-	-

Expenses incurred by related party on behalf of Company

Oravel Stays Singapore Pte Ltd	79	540
OYO Technology And Hospitality (UK) Limited	1	35
	80	576

Service taken from:

Oravel Stays Private Limited	147	-
OYO Hotels and Homes Pvt. Ltd.	803	-
OYO Apartments Investments LLP	18	-
	969	-

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	13,826	73,463
Oyo Technology And Hospitality (Thailand) Co., Ltd.	-	3,497
OYO Technology&Hospitality Japan KK	14,613	0
	28,440	318,760

Borrowed/repaid during the period

OYO MYPREFERRED UK LTD	58,193	-
Oravel Stays Singapore Pte Ltd	(20,316)	34,214
	37,877	34,214

OYO Hospitality UK Ltd.

Notes to Financial Statements for the period ended March 31, 2021

Loan Repaid/Forex Impact on Loan during the period

Oyo Hospitality Netherlands Bv	286	2,321
Oyo hotels LLC	3,776	23,185
Oravel Stays Singapore Pte Ltd	617	112,066
OYO Hotels (Singapore) Pte. Ltd.	11,790	4,182
Oravel Hotels Mexico S. De R.L. De C.V.	19,126	-
Oyo Brazil Servicos De Turismo Ltda	8,069	-
OYO Hotels Netherlands B.V.	56	-
OYO Rooms & Technology LLC	239	-
Oyo Rooms And Hospitality Uk Limited	18	-
Oyo Rooms Hospitality Sdn Bhd	686	-
Oyo Technology & Hospitality (Uk) Ltd	994	-
OYO Technology & Hospitality (Vietnam) LLC	159	-
OYO Technology And Hospitality (Thailand) Ltd	345	-
	46,161	141,755

Interest income on loan granted

Oravel Hotels Mexico S. De R.L. de C.V.	296	189
OYO Brazil Servicos De Turismo Ltda	98	118
Oyo Hospitality Netherlands Bv	-	24
Oyo hotels LLC	1,182	404
Oyo Hotels Netherlands Bv	-	12
OYO Rooms & Technology LLC	51	20
Oyo Rooms And Hospitality Uk Limited	-	10
Oyo Technology & Hospitality (Uk) Ltd	147	84
Oyo Vacation Homes Uk Ltd	-	1
Oravel Stays Singapore Pte Ltd	-	636
OYO Rooms Hospitality SDN BHD	132	50
Oyo Technology & Hospitality (Vietnam)	28	13
Oyo Technology And Hospitality (China) Pte Ltd	1,827	607
OYO Technology and Hospitality (Thailand) Co., Ltd.	51	33
OYO Hotels (Singapore) Pte. Ltd.	-	102
	3,812	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
Oravel Hotels Mexico S. De R.L. de C.V.	485	-
OYO Brazil Servicos De Turismo Ltda	216	-
	700	749

Interest expense on borrowings

Oravel Stays Singapore Pte Ltd	-	33
OYO MYPREFERRED UK LTD	19	-
	19	33

OYO Hospitality UK Ltd.
Notes to Financial Statements for the period ended March 31, 2021

c) Related party balances:

Particulars	As at 31 March 2021 £ 000	As at 31 March 2020 £ 000
Receivable from Group Companies		
Oravel Hotels Mexico S. De R.L. De C.V.	151	151
Oyo Hotels LLC USA	511	511
Oyo Brazil Servicos De Turismo Ltda	183	183
Oyo Rooms And Hospitality UK Limited	20	12
Oyo Technology & Hospitality (UK) Ltd	1,131	1,131
Oyo Hotels Japan GK	174	174
	2,170	2,163
Payable to Group Companies		
Oravel Stays Singapore Pte Ltd	598	554
Oravel Stays Private Limited	145	-
OYO Hotels and Homes Pvt. Ltd.	793	-
OYO Apartments Investments LLP	18	-
	1,554	554
Loan granted		
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	2,629	2,915
Oyo Hotels (Singapore) Pte. Ltd.	-	11,790
Oyo Hotels Llc	34,188	37,965
Oyo Hotels Netherlands Bv	1,195	1,251
Oyo Rooms & Technology LLC	2,182	2,421
Oyo Rooms And Hospitality Uk Limited	-	18
Oyo Rooms Hospitality Sdn Bhd	6,274	6,960
Oyo Technology & Hospitality (UK) Ltd	6,306	7,300
Oyo Technology & Hospitality (Vietnam)	1,455	1,614
Oyo Technology And Hospitality (China) Pte Ltd	87,290	73,463
Oyo Technology And Hospitality (Thailand) Co., Ltd.	3,152	3,497
OYO Technology&Hospitality Japan KK	14,613	0
	159,284	177,005
Borrowings		
Oravel Stays Singapore Pte Ltd	13,898	34,214
OYO MYPREFERRED UK LTD	58,193	
	72,091	34,214

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Notes to Financial Statements for the period ended March 31, 2021

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	1,546	364
Oyo Hotels Netherlands Bv	-	12
Oyo Rooms & Technology LLC	71	20
Oyo Rooms And Hospitality Uk Limited	-	-
Oyo Rooms Hospitality Sdn Bhd	183	50
Oyo Technology & Hospitality (UK) Ltd	231	84
Oyo Technology & Hospitality (Vietnam)	41	13
Oyo Technology And Hospitality (China) Pte Ltd	2,101	607
Oyo Technology And Hospitality (Thailand) Co., Ltd.	83	33
Oyo Vacation Homes UK Ltd	-	1
Oyo Hotels Japan GK	-	-
	4,255	1,554

Interest accrued on borrowings but not due

Oravel Stays Singapore Pte Ltd	-	33
OYO MYPREFERRED UK LTD	19	-
	19	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 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.

18. Foreign currency denominated assets and liabilities

The Company's foreign currency assets and liabilities as at 31 March 2021 are as follows

Currency	Assets 000's	Liabilities 000's	Net Liabilities	Exchange Rate	GBP Equivalent 000's
United State Dollars	317,235	(271,761)	45,474	0.73	33,078
EURO	3,087	-	3,087	0.85	2,635
MYR	-	(3,414)	(3,414)	0.18	(598)

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)

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 2021		
Impact on Loss		
Change in Exchange rate	Effect on profit/(loss) before tax	
	£ 000	
USD Sensitivity	+5%	1,654
	-5%	(1,654)
EURO Sensitivity	+5%	132
	-5%	(132)
MGR Sensitivity	+5%	(30)
	-5%	30
31 March 2020		
Impact on Loss		
Change in Exchange rate	Effect on profit/(loss) before tax	
	£ 000	
USD Sensitivity	+5%	(710)
	-5%	710
EURO Sensitivity	+5%	40
	-5%	(40)
MYR Sensitivity	+5%	(28)
	-5%	28

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 £ 000	0 to 1 year £ 000	More than 1 year £ 000	Total £ 000
As at 31 March 2021				
Trade and other payables	36	-	-	36
Related parties (Refer Note 17)	-	1,554	-	1,554
Loans (Internal)	-	19	72,091	72,109
Loans (External)	-	4,408	-	4,408
	36	5,981	72,091	78,108
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

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 2021 £ 000	As at 31 March 2020 £ 000
Financial assets	Carrying Amount	Carrying Amount
Non Current assets		
Loans	163,540	178,559
Current assets		
Cash and cash equivalents	76,410	22,174
Other current financial assets	2,172	2,165
Total financial assets	242,122	202,898
Financial Liabilities		
Borrowings	72,091	205,855
Trade and other payables	6,017	5,611
Total financial liabilities	78,108	211,466

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.

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.

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 2020. This has not had any material impact on the amounts reported for the current and prior years.

Standard or Interpretation	Effective for annual periods commencing on or after
Definition of a Business (Amendments to IFRS 3)	01-Jan-20
Amendments to IAS 1 and IAS 8 – definition of material	01-Jan-20
Conceptual Framework – Amendments to References to the Conceptual Framework in IFRS Standards	01-Jan-20

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	Effective for annual periods commencing on or after
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	01-Jan-22
Annual improvements to IFRS Standards 2018-2020	01-Jan-22
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	01-Jan-22

As yet, none of these have been endorsed for use in the UK 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.

