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**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

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**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Koolesh D Shah
<b>Registered number</b>	02182560
<b>Registered office</b>	8-14 Talbot Square London W2 1TS
<b>Independent auditor</b>	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

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## **LONDON TOWN HOTELS (OPERATIONS) LIMITED**

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## **LONDON TOWN HOTELS (OPERATIONS) LIMITED**

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### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The director presents his report and the financial statements for the year ended 31 December 2018.

#### **Director's responsibilities statement**

The director is responsible for preparing the Director's 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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, the director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 to enable him 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.

#### **Director**

The director who served during the year was:

Koolesh D Shah

#### **Disclosure of information to auditor**

The director at the time when this Director's report is approved has confirmed that:

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

#### **Auditor**

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

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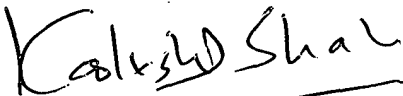
**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Small companies**

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**Koolesh D Shah**  
Director

Date: 3/7/19.

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## LONDON TOWN HOTELS (OPERATIONS) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LONDON TOWN HOTELS (OPERATIONS) LIMITED

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#### Opinion

We have audited the financial statements of London Town Hotels (Operations) Limited (the 'company') for the year ended 31 December 2018, which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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## LONDON TOWN HOTELS (OPERATIONS) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LONDON TOWN HOTELS (OPERATIONS) LIMITED (CONTINUED)

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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 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 has 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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the 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 on page 1, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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## LONDON TOWN HOTELS (OPERATIONS) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LONDON TOWN HOTELS (OPERATIONS) LIMITED (CONTINUED)

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#### 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](http://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.

*Nigel Bostock*

Nigel Bostock (Senior statutory auditor)

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

St Bride's House  
10 Salisbury Square  
London

EC4Y 8EH

Date: 3 July 2019



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**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £	2017 £
Cost of sales		(54,139)	(58,182)
<b>Gross loss</b>		<b>(54,139)</b>	<b>(58,182)</b>
Administrative expenses		(536,607)	(707,563)
Other operating income	3	655,267	683,532
<b>Operating profit/(loss)</b>		<b>64,521</b>	<b>(82,213)</b>
Tax on profit/(loss)	5	(29,137)	(3,472)
<b>Profit/(loss) for the financial year</b>		<b>35,384</b>	<b>(85,685)</b>

The notes on pages 10 to 18 form part of these financial statements.

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**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £	2017 £
Profit/(loss) for the financial year		35,384	(85,685)
<b>Other comprehensive income</b>			
Deferred tax on revaluations		(127,954)	-
Unrealised surplus on revaluation of tangible fixed assets		-	33,232
<b>Other comprehensive income for the year</b>		<b>(127,954)</b>	<b>33,232</b>
<b>Total comprehensive income for the year</b>		<b>(92,570)</b>	<b>(52,453)</b>

The notes on pages 10 to 18 form part of these financial statements.


**LONDON TOWN HOTELS (OPERATIONS) LIMITED**  
**REGISTERED NUMBER: 02182560**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	6	1,869,201	1,989,004
		<u>1,869,201</u>	<u>1,989,004</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	2,003,585	-
Debtors: amounts falling due within one year	7	3,800	1,867,768
Cash at bank and in hand		15,797	34,587
		<u>2,023,182</u>	<u>1,902,355</u>
Creditors: amounts falling due within one year	8	(46,917)	(79,926)
<b>Net current assets</b>		<u>1,976,265</u>	<u>1,822,429</u>
<b>Total assets less current liabilities</b>		<u>3,845,466</u>	<u>3,811,433</u>
Creditors: amounts falling due after more than one year	9	(1,285,153)	(1,285,153)
<b>Provisions for liabilities</b>			
Deferred tax	10	(354,492)	(227,889)
<b>Net assets</b>		<u><u>2,205,821</u></u>	<u><u>2,298,391</u></u>
<b>Capital and reserves</b>			
Called up share capital		502,000	502,000
Revaluation reserve	11	1,252,681	1,479,676
Profit and loss account	11	451,140	316,715
		<u><u>2,205,821</u></u>	<u><u>2,298,391</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Koolesh-D Shah**  
 Director  
 Date: 3/7/19

The notes on pages 10 to 18 form part of these financial statements.

**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2017</b>	<b>502,000</b>	<b>1,550,460</b>	<b>298,384</b>	<b>2,350,844</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(85,685)	(85,685)
Surplus on revaluation of tangible fixed assets	-	33,232	-	33,232
Transfer to/from profit and loss account	-	(104,016)	104,016	-
<b>At 1 January 2018</b>	<b>502,000</b>	<b>1,479,676</b>	<b>316,715</b>	<b>2,298,391</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	35,384	35,384
Deferred tax on revalued investment properties	-	(127,954)	-	(127,954)
Transfer to/from profit and loss account	-	(99,041)	99,041	-
<b>At 31 December 2018</b>	<b>502,000</b>	<b>1,252,681</b>	<b>451,140</b>	<b>2,205,821</b>

The notes on pages 10 to 18 form part of these financial statements.

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## LONDON TOWN HOTELS (OPERATIONS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General information

The company is a private company limited by shares (registered number 02182560), which is incorporated and domiciled in the UK. The address of the registered office is 8-14 Talbot Square, London, W2 1TS.

The principal activity of the company is that of a holding company.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The director has considered the financial position of the company and the financial statements have been prepared assuming that the company will continue as a going concern.

In making this assumption, he has considered the future trading of the company, and continued support of other group companies.

##### 2.3 Revenue

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue arose wholly in the United Kingdom and is derived primarily from the management services provided. Revenue is recognised when rooms are occupied and when food and beverages are sold. Revenue included in other operating income relates to management fees charged to other group entities for administrative services undertaken by the company.

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## LONDON TOWN HOTELS (OPERATIONS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	-	Over the term of the lease (142 years)
Short-term leasehold property	-	Over the term of the lease (16 years)
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

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## LONDON TOWN HOTELS (OPERATIONS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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## 2. Accounting policies (continued)

### 2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Profit and loss account unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

### 2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**3. Other operating income**

	2018 £	2017 £
Insurance claims receivable	2,942	-
Net rents receivable	28,560	22,519
Sundry income	9,360	-
Fees receivable	614,405	661,013
	<u>655,267</u>	<u>683,532</u>

**4. Employees**

The average monthly number of employees, including directors, during the year was 1 (2017 - 1).

**5. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	30,488	-
	<u>30,488</u>	<u>-</u>
<b>Total current tax</b>	<u>30,488</u>	<u>-</u>
<b>Deferred tax</b>		
Accelerated capital losses	(1,351)	3,472
<b>Total deferred tax</b>	<u>(1,351)</u>	<u>3,472</u>
<b>Taxation on profit on ordinary activities</b>	<u>29,137</u>	<u>3,472</u>



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LONDON TOWN HOTELS (OPERATIONS) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.2466%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	64,521	(82,213)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.2466%)	12,259	(15,823)
Effects of:		
Permanent differences	23,845	25,584
Deferred tax movement not previously provided for and effects of changes in the rate of tax	158	(458)
Group relief	(7,125)	(5,831)
Total tax charge for the year	29,137	3,472

**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**6. Tangible fixed assets**

	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	934,223	2,077,614	6,434	42,574	3,060,845
Additions	2,041	20,134	-	-	22,175
At 31 December 2018	936,264	2,097,748	6,434	42,574	3,083,020
<b>Depreciation</b>					
At 1 January 2018	25,213	1,030,230	965	15,433	1,071,841
Charge for the year on owned assets	2,717	131,109	1,367	6,785	141,978
At 31 December 2018	27,930	1,161,339	2,332	22,218	1,213,819
<b>Net book value</b>					
At 31 December 2018	908,334	936,409	4,102	20,356	1,869,201
At 31 December 2017	909,010	1,047,384	5,469	27,141	1,989,004

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Long leasehold	908,334	909,010
Short leasehold	936,409	1,047,384
	1,844,743	1,956,394

**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Cost or valuation at 31 December 2018 is as follows:

	Land and buildings £
<b>At cost</b>	<b>1,021,419</b>
<b>At valuation:</b>	
Revaluation to 31 December 2018	<b>2,012,593</b>
	<b><u>3,034,012</u></b>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
Cost	1,021,419	1,021,419
Accumulated depreciation	(243,337)	(243,337)
<b>Net book value</b>	<b><u>778,082</u></b>	<b><u>778,082</u></b>

**7. Debtors**

	2018 £	2017 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	2,003,585	-
	<b><u>2,003,585</u></b>	<b><u>-</u></b>
<b>Due within one year</b>		
Trade debtors	3,800	-
Amounts owed by group undertakings	-	1,859,177
Other debtors	-	4,615
Prepayments and accrued income	-	3,976
	<b><u>3,800</u></b>	<b><u>1,867,768</u></b>

There are no allowances for doubtful debts or reversals of allowances for doubtful debts in 2018 or 2017.

**LONDON TOWN HOTELS (OPERATIONS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**8. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	7,850	50
Amounts owed to group undertakings	2,003	55,083
Corporation tax	25,873	-
Other taxation and social security	3,691	4,648
Other creditors	-	12,645
Accruals and deferred income	7,500	7,500
	<u>46,917</u>	<u>79,926</u>

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

	2018 £	2017 £
Amounts owed to group undertakings	1,285,153	1,285,153
	<u>1,285,153</u>	<u>1,285,153</u>

**10. Deferred taxation**

	2018 £
At beginning of year	(227,889)
Charged to profit or loss	1,351
Charged to other comprehensive income	(127,954)
<b>At end of year</b>	<u><b>(354,492)</b></u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(19,415)	(20,766)
At the beginning of the year	(335,077)	(207,123)
	<u><b>(354,492)</b></u>	<u><b>(227,889)</b></u>

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## **LONDON TOWN HOTELS (OPERATIONS) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **10. Deferred taxation (continued)**

The 2018 deferred tax liability through other comprehensive income arose in respect of revaluations of the leasehold property which includes the legacy deferred tax liability on amounts previously revalued.

#### **11. Reserves**

##### **Revaluation reserve**

The revaluation reserve as at 31 December 2018 is £1,252,681 (2017: £1,479,676), which relates to the revaluation of land and buildings in prior years. Any movement in this reserve is recognised in other comprehensive income and within the statement of changes in equity. This reserve which is not distributable reflects unrealised gains on revaluation.

##### **Profit and loss account**

The profit and loss reserve as at 31 December 2018 is £451,140 (2017: £316,715). The movement relates to the loss recognised during the year.

#### **12. Related party transactions**

The company has taken advantage of the exemption in FRS102 Section 33.1A from the requirement to disclose the transactions between two or more members of the group, as all members are wholly owned subsidiaries of the ultimate parent company.

The immediate parent undertakings is London Town Group of Companies Limited, a company incorporated in England and Wales.

The ultimate parent undertakings is London Town Group of Companies Holdings Limited, a company incorporated in England and Wales.

London Town Group of Companies Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of London Town Group of Companies Holdings Limited can be obtained from 8-14 Talbot Square, London W2 1TS.

London Town Group of Companies Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of London Town Group of Companies Limited can be obtained from 8-14 Talbot Square, London W2 1TS.

In the director's opinion the ultimate controlling party is Auro Trust, a trust outside of the UK.