

Registered number: 05151792

LONDON TOWN HOTELS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**



LONDON TOWN HOTELS LIMITED

COMPANY INFORMATION

Director	K D Shah
Company secretary	K D Shah
Registered number	05151792
Registered office	8-14 Talbot Square London W2 1TS
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

LONDON TOWN HOTELS LIMITED

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LONDON TOWN HOTELS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The director presents the Strategic report for the 18 months ended 30 June 2021.

Business review

During the year the company was an investment company holding an interest in hotel property and operating companies.

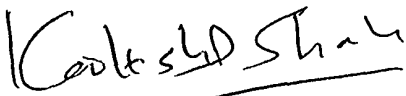
At 30 June 2021 the total assets of the company were £61,458,779 (31 December 2019: £61,447,737) and the net current assets were £4,536,579 (31 December 2019: £4,525,537).

Principal risks and uncertainties

The company's principal financial instruments comprise bank balances, other creditors, other debtors, loans and amounts owed to/from group companies.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility.

This report was approved by the board on 27 June 2022 and signed on its behalf.


K D Shah
Director

LONDON TOWN HOTELS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2021

The director presents his report and the financial statements for the year ended 30 June 2021.

Director

The director who served during the year was:

K D Shah

Director's responsibilities statement

The director is responsible for preparing the Strategic report, 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.

Dividends

The profit for the year, after taxation, amounted to £NIL (2020 - £NIL).

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.

LONDON TOWN HOTELS LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

Auditor

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

This report was approved by the board on 27 June 2022 and signed on its behalf.


K D Shah
Director

LONDON TOWN HOTELS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON TOWN HOTELS LIMITED

Opinion

We have audited the financial statements of London Town Hotels Limited (the 'company') for the year ended 30 June 2021, which comprise the Profit and loss account, the Statement of financial position, 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 30 June 2021 and of its result 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

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 financial statements are authorised for issue.

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

LONDON TOWN HOTELS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON TOWN HOTELS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The director is responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the Director's responsibilities statement set out on page 2, 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.

LONDON TOWN HOTELS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON TOWN HOTELS LIMITED
(CONTINUED)**

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and UK Corporate Tax Legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their identification and assessment of the risk of irregularities, sample testing on the appropriate journals, reviewing accounting estimates for biases, assessing the treatment of non-routine transactions and ensuring accounting policies are appropriate under the United Kingdom Generally Accepted Accounting Practice and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

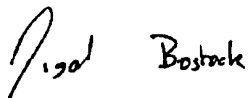
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

LONDON TOWN HOTELS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON TOWN HOTELS LIMITED
(CONTINUED)**

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

55 Ludgate Hill
London
EC4M 7JW

28 June 2022

LONDON TOWN HOTELS LIMITED

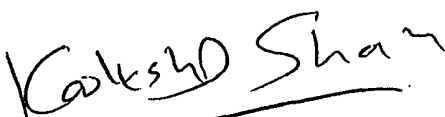
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 £	2019 £
Fixed assets			
Investments	5	56,922,200	56,922,200
Current assets			
Debtors: amounts falling due within one year	6	4,536,579	4,535,537
Creditors: amounts falling due within one year	7	-	(10,000)
Net current assets		4,536,579	4,525,537
Total assets less current liabilities		61,458,779	61,447,737
Creditors: amounts falling due after more than one year	8	(7,830,718)	(7,819,676)
Net assets		53,628,061	53,628,061
Capital and reserves			
Called up share capital	9	100	100
Other reserves	10	50,307,328	50,307,328
Profit and loss account	10	3,320,633	3,320,633
		53,628,061	53,628,061

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2022.


K D Shah
Director

The notes on pages 10 to 15 form part of these financial statements.

LONDON TOWN HOTELS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2019	100	50,307,328	3,320,633	53,628,061
At 1 July 2020	100	50,307,328	3,320,633	53,628,061
At 30 June 2021	100	50,307,328	3,320,633	53,628,061

The notes on pages 10 to 15 form part of these financial statements.

LONDON TOWN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. General information

The company is a private company limited by shares (registered number 05151792), 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 of a group which is engaged in the operations of hotels and the rental of properties in the United Kingdom.

The current accounting period was extended from 31 December 2020 to 30 June 2021. Comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The average monthly number of employees, including directors, during the period was 1 (2019 - 1).

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

2.2 Going Concern

The directors have considered the financial position of the company and the financial statements have been prepared in assuming the company will continue as a going concern. In making the assumption, the directors have considered the strong net asset base of the group, the future cash generative and profitable trading of the subsidiaries, and the availability of working capital and mitigating actions that can be taken during that period.

In making their assessment of going concern the directors have considered the impact on the business as a result of the COVID-19 pandemic. This had an immediate impact in reducing the company's operations given the nature of much of the business, with significantly reduced activity on the hotel operations on 23 March 2020 and throughout the period to 30 June 2021 and beyond although activity now continues to improve. The directors have considered that, having regard to the cash resources held by the London Town Group of Companies Limited Group and each of the companies, and that the wider Group comprising hotel and property activities and each of the companies have sufficient liquidity to manage the temporary disruption caused by the pandemic as the business returns to a more stable hotel trading position, but the directors will continue to take the necessary precautions to preserve the Group and company's cash by taking mitigating actions and reviewing their future plans to ensure that they maintain stability and optimise the business strategies of the Group and company in the current climate. The directors are aware that if the current situation becomes prolonged then this may change with further mitigation actions taken.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

At this stage the director has not considered it appropriate to make any adjustment (for impairment) to the valuations included within the financial statements whilst the short-term impact of COVID-19 is evaluated and the medium term implications are assessed and the return to stabilised trading is determined as is seen by post period ending trading. There is a risk that these valuations may require future revision in the event of a prolonged impact of COVID-19 on the hotel sector.

Overall, the directors have determined it continues to be appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that may be result from any significant changes in the assumptions noted above in preparing the financial statements on a going concern basis.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Taxation

Tax is recognised in the Statement of comprehensive income.

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

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 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.

LONDON TOWN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.8 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 ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The presentation of Financial Statements in conformity with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, requires the use of certain critical accounting estimates. It also requires the Director of the company to exercise their judgement in the process of applying the accounting policies which are detailed above.

These judgements are continually evaluated by the Director and management and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no significant sources of estimation and uncertainty.

4. Auditor's remuneration

	2021 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	3,600	2,000

As the company did not trade in the year, fees payable to the company's auditor and its associates were settled by other group companies.

LONDON TOWN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2020	56,922,200
At 30 June 2021	<u>56,922,200</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
LTH (Paddington) Ltd	8-14 Talbot Square, London, W2 1TS	Ordinary	100%
LTH (Talbot Square) Ltd	8-14 Talbot Square, London, W2 1TS	Ordinary	100%

6. Debtors

	2021 £	2019 £
Amounts owed by group undertakings	4,405,051	4,405,051
Corporation Tax	129,212	129,212
Prepayments	2,316	1,274
	<u>4,536,579</u>	<u>4,535,537</u>

7. Creditors: Amounts falling due within one year

	2021 £	2019 £
Accruals	-	10,000
	<u>-</u>	<u>10,000</u>

LONDON TOWN HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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

	2021 £	2019 £
Amounts owed to group undertakings	<u>7,830,718</u>	<u>7,819,676</u>

9. Share capital

	2021 £	2019 £
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary shares of £1 each share of £100	<u>100</u>	<u>100</u>

10. Reserves**Other reserves**

The other reserves as at 30 June 2021 is £50,307,328 (31 December 2019: £50,307,328). 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 30 June 2021 is £3,320,633 (31 December 2019: £3,320,633).

LONDON TOWN HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

11. 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 undertaking is London Town Group of Companies Limited, a company incorporated in England and Wales.

The ultimate parent undertaking 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 30 June 2021. 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 30 June 2021. 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.