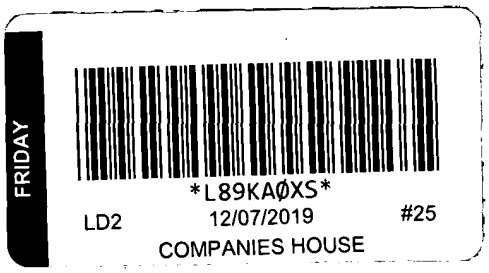
Registered number: 08825078

LTH HOTELS (DERBY) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



LTH HOTELS (DERBY) LIMITED

COMPANY INFORMATION

Director	Koolesh D Shah
Registered number	08825078
Registered office	8-14 Talbot Square London W2 1TS
Independent auditor	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

LTH HOTELS (DERBY) LIMITED

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DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LTH HOTELS (DERBY) LIMITED

Opinion

We have audited the financial statements of LTH Hotels (Derby) 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LTH HOTELS (DERBY) 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.

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.

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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover		**372,400**	*372,400*
Gross profit		**372,400**	*372,400*
Administrative expenses		**(218,472)**	*(288,614)*
Operating profit		**153,928**	*83,786*
Interest receivable and similar income		**21,512**	*1,443*
Interest payable and similar expenses		**(157,020)**	*(93,280)*
Profit/(loss) before tax		**18,420**	*(8,051)*
Tax on profit/(loss)	4	**(15,337)**	*(34,697)*
Profit/(loss) for the financial year		**3,083**	*(42,748)*

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Profit/(loss) for the financial year		**3,083**	*(42,748)*
Other comprehensive income			
Unrealised surplus on revaluation of tangible fixed assets		**745,095**	*277,348*
Deferred tax on revaluation of property		**(119,000)**	*(335,576)*
Other comprehensive income for the year		**626,095**	*(58,228)*
Total comprehensive income for the year		**629,178**	*(100,976)*

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

LTH HOTELS (DERBY) LIMITED
REGISTERED NUMBER: 08825078

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £		2017 £
Fixed assets				
Tangible assets	5	**7,600,000**		*6,940,753*
		7,600,000		*6,940,753*
Current assets				
Debtors: amounts falling due after more than one year	6	**167,365**		-
Debtors: amounts falling due within one year	6	**63,490**		*237,272*
Cash at bank and in hand		**1,925,173**		*1,772,374*
		2,156,028		*2,009,646*
Creditors: amounts falling due within one year	7	**(144,204)**		*(141,445)*
Net current assets		**2,011,824**		*1,868,201*
Total assets less current liabilities		**9,611,824**		*8,808,954*
Creditors: amounts falling due after more than one year	8	**(5,235,215)**		*(5,195,860)*
Provisions for liabilities				
Deferred tax	10	**(1,166,947)**		*(1,032,610)*
Net assets		**3,209,662**		*2,580,484*
Capital and reserves				
Called up share capital		**1**		*1*
Revaluation reserve	11	**3,523,413**		*2,925,780*
Profit and loss account	11	**(313,752)**		*(345,297)*
		3,209,662		*2,580,484*

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.

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	**1**	**3,013,329**	**(331,870)**	**2,681,460**
Comprehensive income for the year				
Loss for the year	-	-	(42,748)	(42,748)
Surplus on revaluation of freehold property	-	277,348	-	277,348
Deferred tax on revaluation of property	-	(335,576)	-	(335,576)
Transfer to/from profit and loss account	-	(29,321)	29,321	-
At 1 January 2018	**1**	**2,925,780**	**(345,297)**	**2,580,484**
Comprehensive income for the year				
Profit for the year	-	-	3,083	3,083
Surplus on revaluation of freehold property	-	745,095	-	745,095
Deferred tax on revaluation of property	-	(119,000)	-	(119,000)
Transfer to/from profit and loss account	-	(28,462)	28,462	-
At 31 December 2018	**1**	**3,523,413**	**(313,752)**	**3,209,662**

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

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

1. General information

The principal activity of the company in the period under review was that of the renting of properties in the United Kingdom.

The company is a private company limited by shares (registered number 08825078), which is incorporated and domiciled in the UK. The address of the registered office is 8-14 Talbot Square, London, W2 1TS.

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 the director has considered the future trading prospects for the company, and the continued support of the company bankers and fellow group companies.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue of the hotel arose wholly in the United Kingdom and is derived primarily from the rental of rooms and sale of food and beverage. Revenue is recognised when rooms are occupied and when food and beverages are sold. Revenue relating to rental income arose wholly in the United Kingdom and is derived primarily from the rental of commercial units.

2.4 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

2. Accounting policies (continued)

2.7 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.

2.8 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	0.7%	Straight line on cost/revaluation
Plant and machinery	-	15.0%	reducing balance
Fixtures and fittings	-	15.0%	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.

2. Accounting policies (continued)

2.9 Revaluation of tangible fixed assets

Individual 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

3. Employees

The average monthly number of employees, including directors, during the year was 0 *(2017 - 0)*.

4. Taxation

	2018 £	*2017* *£*
Deferred tax		
Prior year under/(over) provision	**-**	*7,836*
Current year tangible fixed assets	**15,337**	*26,861*
Total deferred tax	**15,337**	*34,697*
Taxation on profit on ordinary activities	**15,337**	*34,697*

Factors affecting tax charge for the year

The tax assessed for the year is the same as *(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	**18,420**	*(8,051)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.2466%)	**3,500**	*(1,550)*
Effects of:		
Permenant differences	**6,878**	*6,359*
Group relief	**15,813**	*25,602*
Prior year under/(over) provision	**-**	*7,836*
Deferred tax movement not previously provided for & effects of changes in rate of tax	**(10,854)**	*(3,550)*
Total tax charge for the year	**15,337**	*34,697*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2018	**6,696,773**	**470,290**	**368,675**	**7,535,738**
Revaluations	**745,095**	**-**	**-**	**745,095**
At 31 December 2018	**7,441,868**	**470,290**	**368,675**	**8,280,833**
Depreciation				
At 1 January 2018	**102,420**	**287,579**	**204,986**	**594,985**
Charge for the year on owned assets	**46,878**	**20,555**	**18,415**	**85,848**
At 31 December 2018	**149,298**	**308,134**	**223,401**	**680,833**
Net book value				
At 31 December 2018	**7,292,570**	**162,156**	**145,274**	**7,600,000**
At 31 December 2017	*6,594,353*	*182,711*	*163,689*	*6,940,753*

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

	2018 £	*2017 £*
Long leasehold	**7,292,571**	*6,594,353*
	7,292,571	*6,594,353*

Cost or valuation at 31 December 2018 is as follows:

	Land and buildings £
At cost	**2,630,780**
At valuation:	
Revaluations to 31 December 2018	**4,811,088**
	7,441,868

5. Tangible fixed assets (continued)

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	**2,630,780**	*2,630,780*
Accumulated depreciation	**(70,174)**	*(51,758)*
Net book value	**2,560,606**	*2,579,022*

6. Debtors

	2018 £	*2017* *£*
Due after more than one year		
Other debtors	**167,365**	*-*
	167,365	*-*

	2018 £	*2017* *£*
Due within one year		
Amounts owed by group undertakings	**45,726**	*45,726*
Other debtors	**8,520**	*182,565*
Prepayments and accrued income	**9,244**	*8,981*
	63,490	*237,272*

7. Creditors: Amounts falling due within one year

	2018 £	*2017* *£*
Other loans	**84,600**	*105,750*
Trade creditors	**22,372**	*13,124*
Accruals and deferred income	**37,232**	*22,571*
	144,204	*141,445*

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

	2018 £	*2017* *£*
Bank loans	**4,039,650**	*4,103,100*
Amounts owed to group undertakings	**1,195,565**	*1,092,760*
	5,235,215	*5,195,860*

Secured loans

In June 2017 the company took out a new bank loan of £4,230,000 and repaid its previous outstanding loans with Natwest Bank Plc. The loan will be repaid by monthly installments over a period of five years. Interest accrues on the loan at a rate of 3% over GBP Libor (3m).

The loan is secured by a fixed charge over the company's leasehold property and other tangible fixed assets.

9. Loans

Analysis of the maturity of loans is given below:

	2018 £	*2017* *£*
Amounts falling due within one year		
Bank loans	**84,600**	*105,750*
Amounts falling due 1-2 years		
Bank loans	**169,200**	*84,600*
Amounts falling due 2-5 years		
Bank loans	**3,870,450**	*4,018,500*
	4,124,250	*4,208,850*

10. Deferred taxation

	2018 £
At beginning of year	**(1,032,610)**
Charged to profit or loss	**(15,337)**
Charged to other comprehensive income	**(119,000)**
At end of year	**(1,166,947)**

The provision for deferred taxation is made up as follows:

	2018 £	*2017* *£*
Deferred tax through profit and loss	**(65,464)**	*(50,127)*
Deferred tax through other comprehensive income	**(1,101,483)**	*(982,483)*
	(1,166,947)	*(1,032,610)*

The deferred tax liability arises in respect of revaluations of 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 £3,523,413 (2017: £2,925,780). 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 £(313,752) (2017: £(345,297)). 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 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 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 1 TS.

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 1 TS.

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