

Registered number: 09058205

LTH (LONDON STREET) LIMITED

SMALL COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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LTH (LONDON STREET) LIMITED

COMPANY INFORMATION

Director	Koolesh D Shah (appointed 27 May 2014)
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Company secretary	Koolesh D Shah
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Registered number	09058205
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Registered office	8 - 14 Talbot Street London W2 1TS
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Independent auditor	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
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LTH (LONDON STREET) LIMITED

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REGISTERED NUMBER: 09058205

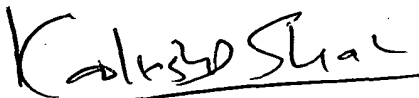
BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	4		148,233		247,055
Tangible assets	5		50,270,550		40,230,366
			<u>50,418,783</u>		<u>40,477,421</u>
Current assets					
Stocks	6	9,400		9,400	
Debtors	7	8,183,158		4,223,956	
Cash at bank and in hand	8	410,059		174,429	
			<u>8,602,617</u>	<u>4,407,785</u>	
Creditors: Amounts Falling Due Within One Year	9	(685,784)		(513,148)	
Net current assets			<u>7,916,833</u>		<u>3,894,637</u>
Total assets less current liabilities			<u>58,335,616</u>		<u>44,372,058</u>
Creditors: amounts falling due after more than one year	10		(2,391,446)		(190,500)
Provisions for liabilities					
Deferred tax	11	(5,212,400)		(3,632,289)	
			<u>(5,212,400)</u>		<u>(3,632,289)</u>
Net assets			<u>50,731,770</u>		<u>40,549,269</u>
Capital and reserves					
Called up share capital			35,000,100		35,000,100
Revaluation reserve			13,647,148		4,864,422
Profit and loss account			2,084,522		684,747
			<u>50,731,770</u>		<u>40,549,269</u>

LTH (LONDON STREET) LIMITED
REGISTERED NUMBER: 09058205

BALANCE SHEET (continued)
AS AT 31 DECEMBER 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 September 2016.



Koolesh D Shah
Director

The company's annual accounts and reports have been delivered to the registrar in accordance with the provisions applicable to companies subject to the small companies regime and the directors have not delivered to the registrar a copy of the company's profit and loss account.

The notes on pages 3 to 12 form part of these financial statements.

LTH (LONDON STREET) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. General information

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

The company was incorporated on 27 May 2014.

The company is a private limited company (registered number 09058205), 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 as modified by the revaluation of tangible fixed assets and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS102. Refer to note 13 for an explanation of the transition.

The auditor's report that was included in the annual accounts and reports delivered to the director was unqualified. The audit report was issued by Crowe Clark Whitehill LLP and was signed by Nigel Bostock.

2.2 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.

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

2.4 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.

Land is not depreciated. Depreciation on other assets 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 a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line on cost/valuation
Plant & machinery	- 25% reducing balance
Fixtures & fittings	- 25% 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 within 'other operating income' in the Income Statement.

2.5 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 Income Statement 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.

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

2.7 Debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

2.11 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 change 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.

3. Auditor's remuneration

	<i>Period ended</i>	
	31	31
	December	December
	2015	2014
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	7,017	3,333

LTH (LONDON STREET) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2015	296,466
At 31 December 2015	<u>296,466</u>
Amortisation	
At 1 January 2015	49,411
Charge for the year	98,822
At 31 December 2015	<u>148,233</u>
Net book value	
At 31 December 2015	<u>148,233</u>
At 31 December 2014	<u>247,055</u>

Goodwill has arisen as a result of the the provision of deferred tax on the revaluation of the property, as required by FRS102, being included within the fair value measurement of the net assets transferred in the prior year from LTH (Paddington) Limited. (See Note 22).

LTH (LONDON STREET) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. Tangible fixed assets

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2015	40,154,483	192,488	111,239	40,458,210
Additions	-	21,356	75,992	97,348
Revaluations	10,434,565	-	-	10,434,565
At 31 December 2015	50,589,048	213,844	187,231	50,990,123
Depreciation				
At 1 January 2015	187,502	25,003	15,339	227,844
Charge owned for the period	401,546	47,210	42,973	491,729
At 31 December 2015	589,048	72,213	58,312	719,573
Net book value				
At 31 December 2015	50,000,000	141,631	128,919	50,270,550
At 31 December 2014	39,966,981	167,485	95,900	40,230,366

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

	2015 £	2014 £
Freehold Property	50,000,000	39,966,981
	<u>50,000,000</u>	<u>39,966,981</u>

Cost or valuation at 31 December 2015 is as follows:

	Land and buildings £
At cost	34,470,181
At valuation:	
Revaluation to 31 December 2015	15,529,819
	<u>50,000,000</u>

LTH (LONDON STREET) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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:

	2015 £	2014 £
Cost	34,470,181	34,470,181
Accumulated depreciation	(532,204)	(187,502)
Net book value	33,937,977	34,282,679

6. Stocks

	2015 £	2014 £
Finished goods and goods for resale	9,400	9,400
	9,400	9,400

There are no write-downs or reversals of write-downs of stocks in 2015 or 2014.

7. Debtors

	2015 £	2014 £
Due after more than one year		
Amounts owed by group undertakings	7,984,757	4,027,140
	7,984,757	4,027,140
Due within one year		
Trade debtors	141,530	150,506
Other debtors	56,871	46,310
	8,183,158	4,223,956

There are no allowances for doubtful debts or reversals of allowances for doubtful debts in 2015 or 2014.

LTH (LONDON STREET) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	410,059	174,429
	<u>410,059</u>	<u>174,429</u>

9. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	175,440	180,373
Corporation tax	211,132	62,509
Taxation and social security	121,700	130,208
Other creditors	177,512	140,058
	<u>685,784</u>	<u>513,148</u>

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

	2015 £	2014 £
Amounts owed to group undertakings	2,391,446	190,500
	<u>2,391,446</u>	<u>190,500</u>

11. Deferred taxation

	Deferred tax £
At 1 January 2015	(3,632,289)
Charged to the profit or loss	14,885
Charged to other comprehensive income	(1,594,996)
At 31 December 2015	<u><u>(5,212,400)</u></u>

LTH (LONDON STREET) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(102,049)	(102,049)
Tax losses carried forward	14,885	-
Deferred tax liability through Other Comprehensive Income	(5,125,236)	(3,530,240)
	<u>(5,212,400)</u>	<u>(3,632,289)</u>

The deferred tax liability through other comprehensive income arises in respect of revaluations of the freehold property which includes the legacy deferred tax liability on amounts previously revalued within the group prior to the transfer of the property to this company in 2014.

12. Controlling party

London Town Group of Companies Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statements of London Town Group of Companies Limited can be obtained from 8 14 Talbot Square, London W2 1 TS.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Transition to FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 31 December 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 31 December 2014

	Note	£
Equity at 31 December 2014 under previous UK GAAP		41,418,560
1. To account for goodwill on prior period transaction		247,055
2. To reflect movement in intercompany balances		2,413,894
3. Provision of deferred tax in respect of revalued land and buildings		(3,530,240)
Equity shareholders funds at 31 December 2014 under FRS 102		40,549,269

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Goodwill has arisen as a consequence of the current and legacy deferred tax on the revaluation of the land and buildings included within the fair value measurement under FRS102.
- 2 Movement in the intercompany balance as a consequence of the current and legacy deferred tax on the revalued land and buildings included within the fair value measurement under FRS102.
- 3 The movements relate to the provision of deferred tax in respect of revalued land and buildings in the prior year as a consequence of FRS102.