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**LTH (LONDON STREET) LTD**

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**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2014**

WEDNESDAY



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COMPANIES HOUSE

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**LTH (LONDON STREET) LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTOR</b>	Koolesh D Shah (appointed 27 May 2014)
<b>COMPANY SECRETARY</b>	Koolesh D Shah
<b>REGISTERED NUMBER</b>	09058205
<b>REGISTERED OFFICE</b>	8 - 14 Talbot Street London W2 1TS
<b>INDEPENDENT AUDITOR</b>	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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**CONTENTS**

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	Page
<b>Director's report</b>	1 - 2
<b>Independent auditor's report</b>	3 - 4
<b>Profit and loss account</b>	5
<b>Statement of total recognised gains and losses</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 14

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## **LTH (LONDON STREET) LIMITED**

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### **DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014**

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The director presents his report and the financial statements for the period ended 31 December 2014.

#### **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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

#### **PRINCIPAL ACTIVITIES**

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.

#### **DIRECTOR**

The director who served during the period was:

Koolesh D Shah (appointed 27 May 2014)

#### **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.

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**LTH (LONDON STREET) LIMITED**

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**DIRECTOR'S REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

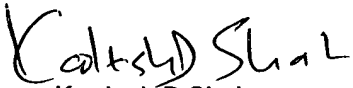
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**AUDITOR**

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

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 on 28 September 2015 and signed on its behalf.

  
**Koolesh D Shah**  
Director

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## **LTH (LONDON STREET) LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LTH (LONDON STREET) LIMITED**

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We have audited the financial statements of LTH (London Street) Limited for the period ended 31 December 2014, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the *Financial Reporting Standard for Smaller Entities* (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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**LTH (LONDON STREET) LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LTH (LONDON STREET) LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.

*Nigel Bostock*

**Nigel Bostock (senior statutory auditor)**

**for and on behalf of  
Crowe Clark Whitehill LLP**

Statutory Auditor

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

28 September 2015

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**LTH (LONDON STREET) LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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	<b>Note</b>	<b>2014 £</b>
<b>TURNOVER</b>	<b>1</b>	<b>2,633,415</b>
Cost of sales		<b>(883,797)</b>
		<hr/>
<b>GROSS PROFIT</b>		<b>1,749,618</b>
Administrative expenses		<b>(900,865)</b>
Other operating income	<b>2</b>	<b>49,950</b>
		<hr/>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>898,703</b>
Interest receivable and similar income		<b>13</b>
		<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>898,716</b>
Tax on profit on ordinary activities	<b>4</b>	<b>(164,558)</b>
		<hr/>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>11</b>	<b>734,158</b>
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The notes on pages 8 to 14 form part of these financial statements.



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**LTH (LONDON STREET) LIMITED**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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	2014 £
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>734,158</b>
Unrealised surplus on revaluation of tangible fixed assets	<b>5,684,302</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD</b>	<b><u>6,418,460</u></b>

The notes on pages 8 to 14 form part of these financial statements.

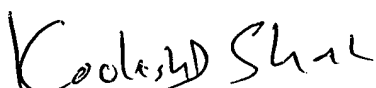
**LTH (LONDON STREET) LIMITED**  
**REGISTERED NUMBER: 09058205**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	5		40,230,366
<b>CURRENT ASSETS</b>			
Stocks		9,400	
Debtors	6	3,885,717	
Cash at bank		174,429	
		<u>4,069,546</u>	
<b>CREDITORS:</b> amounts falling due within one year	7	<u>(513,148)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,556,398</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>43,786,764</u>
<b>CREDITORS:</b> amounts falling due after more than one year	8		(2,266,155)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	9		(102,049)
<b>NET ASSETS</b>			<u><u>41,418,560</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10		35,000,100
Revaluation reserve	11		5,684,302
Profit and loss account	11		734,158
<b>SHAREHOLDERS' FUNDS</b>			<u><u>41,418,560</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2015.



**Koolesh D Shah**  
Director

The notes on pages 8 to 14 form part of these financial statements.

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## LTH (LONDON STREET) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### 1.2 Going concern

The director has considered the financial positing 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 the continued support of the other group companies.

##### 1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### 1.4 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discount and value added tax. Turnover of the hotel derived primarily from the rental of rooms and food and beverage sales and arose wholly in the United Kingdom. Turnover is recognised when rooms are occupied and food and beverages are sold.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line on cost/valuation
Plant & machinery	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance

Freehold property is revalued at intervals no greater than five years. Interim revaluations are carried when a material change in value has occurred.

Depreciation is not provided on Freehold Land. 50% of the cost and or valuation of the property is taken as the value of the land element.

An amount equal to the excess of the annual depreciation charge of the revalued asset over the notional historic cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

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**LTH (LONDON STREET) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 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.

**1.7 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**2. OTHER OPERATING INCOME**

	2014 £
Rents receivable	47,885
Insurance claims receivable	2,065
	<hr/> 49,950 <hr/>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2014 £
Depreciation of tangible fixed assets:	
- owned by the company	227,844
Auditor's remuneration	3,333
	<hr/> 231,177 <hr/>

During the period, no director received any emoluments.

**LTH (LONDON STREET) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

**4. TAXATION**

	2014 £
<b>Analysis of tax charge in the period</b>	
<b>Current tax</b>	
UK corporation tax charge on profit for the period	62,509
<b>Deferred tax</b> (see note 9)	
Origination and reversal of timing differences	102,049
<b>Tax on profit on ordinary activities</b>	<u>164,558</u>

**5. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>				
Additions	34,470,181	192,488	111,239	34,773,908
Revaluation surplus	5,684,302	-	-	5,684,302
At 31 December 2014	<u>40,154,483</u>	<u>192,488</u>	<u>111,239</u>	<u>40,458,210</u>
<b>Depreciation</b>				
Charge for the period	187,502	25,003	15,339	227,844
At 31 December 2014	<u>187,502</u>	<u>25,003</u>	<u>15,339</u>	<u>227,844</u>
<b>Net book value</b>				
At 31 December 2014	<u>39,966,981</u>	<u>167,485</u>	<u>95,900</u>	<u>40,230,366</u>

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**LTH (LONDON STREET) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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**5. TANGIBLE FIXED ASSETS (continued)**

Included in land and buildings is freehold land at valuation of £20,077,242 (cost £17,266,921) which is not depreciated.

The freehold property was valued by the director as at 31 December 2014 at an open market value of £39,966,981.

The loan borrowed by the immediate parent undertaking is secured by a fixed charge over the company's freehold property and floating charges over the remaining assets of the company.

Cost or valuation at 31 December 2014 is as follows:

	<b>Land and buildings £</b>
<b>At cost</b>	<b>34,470,181</b>
<b>At valuation:</b>	
Revaluation at 31 December 2014	<b>5,684,302</b>
	<b><u>40,154,483</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:

	<b>2014 £</b>
Cost	<b>34,470,181</b>
Accumulated depreciation	<b>(187,502)</b>
	<b><u>34,282,679</u></b>

**6. DEBTORS**

	<b>2014 £</b>
<b>Due after more than one year</b>	
Amounts owed by group undertakings	<b>3,688,901</b>
<b>Due within one year</b>	
Trade debtors	<b>150,506</b>
Other debtors	<b>46,310</b>
	<b><u>3,885,717</u></b>

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**LTH (LONDON STREET) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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**7. CREDITORS:**

**Amounts falling due within one year**

	2014 £
Trade creditors	180,373
Corporation tax	62,509
Other taxation and social security	130,208
Other creditors	140,058
	<u>513,148</u>

**8. CREDITORS:**

**Amounts falling due after more than one year**

	2014 £
Amounts owed to group undertakings	<u>2,266,155</u>

**9. DEFERRED TAXATION**

	2014 £
At beginning of period	-
Charge for period	102,049
	<u>102,049</u>
At end of period	<u>102,049</u>

The provision for deferred taxation is made up as follows:

	2014 £
Accelerated capital allowances	<u>102,049</u>

**10. SHARE CAPITAL**

	2014 £
<b>Allotted, called up and fully paid</b>	
35,000,100 Ordinary shares of £1 each	<u>35,000,100</u>

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## LTH (LONDON STREET) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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#### 10. SHARE CAPITAL (continued)

On 27 May 2014, the company issued 100 ordinary shares of £1 each for a total consideration of £100.

On 16 June 2014, the company issued a further 35,000,000 ordinary shares of £1 each to LTH (Paddington) Limited, the company's immediate parent undertaking, as consideration of £35,000,000 for transferring assets and trade by London Town Hotels Limited, company's parent undertaking, to the company.

#### 11. RESERVES

	Revaluat'n reserve £	Profit and loss account £
Profit for the financial period		734,158
Revaluation of freehold property at 31 December 2014	5,684,302	
	<u>5,684,302</u>	<u>734,158</u>
At 31 December 2014	<u>5,684,302</u>	<u>734,158</u>

#### 12. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption from reporting related party transactions with other group undertakings in accordance with the provisions of Financial Reporting Standard for Smaller Entities.

#### 13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is LTH (Paddington) 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 2014. 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 2014. 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.



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**LTH (LONDON STREET) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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**14. Group restructuring**

On 16 June 2014, London Town Hotels Limited, the company's parent undertaking refinanced its debt and as a result went through a process of restructuring the group. LTH (Paddington) Limited, the company's immediate parent undertaking, was incorporated on 27 May 2014 and all the trade and assets relating to a freehold hotel (Indigo Paddington hotel) previously owned and operated by London Town Hotels Limited was transferred at the market value to LTH (Paddington) Limited.

On 16 June 2014, LTH (Paddington) Limited transferred all the trade and assets relating to Indigo Paddington hotel to LTH (London Street) Limited.

Since 16 June 2014, the hotel was owned and operated by the company.