

Registered number: 10833485

LTH HOTELS (LEICESTER) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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LTH HOTELS (LEICESTER) LIMITED

COMPANY INFORMATION

Directors	Koolesh D Shah Kala Shah (appointed 9 July 2020)
Registered number	10833485
Registered office	8-14 Talbot Square London W2 1TS
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

LTH HOTELS (LEICESTER) LIMITED

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LTH HOTELS (LEICESTER) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director 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.

LTH HOTELS (LEICESTER) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Post balance sheet events

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization on 30 January 2020.

The COVID-19 pandemic has been duly considered by the directors.

This has 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, although the situation marginally eased in June 2020 as 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 this temporary disruption caused by the pandemic, but the directors will 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.

At this stage the directors have 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. 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.


Auditor

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

Small companies

In preparing this report, the directors have 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: 1 October 2020

LTH HOTELS (LEICESTER) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LTH HOTELS (LEICESTER) LIMITED

Opinion

We have audited the financial statements of LTH Hotels (Leicester) Limited (the 'company') for the year ended 31 December 2019, 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 2019 and of its loss 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are 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.

LTH HOTELS (LEICESTER) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LTH HOTELS (LEICESTER) LIMITED
(CONTINUED)**

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were 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 Directors' report and from the requirement to prepare a Strategic report.

LTH HOTELS (LEICESTER) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LTH HOTELS (LEICESTER) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

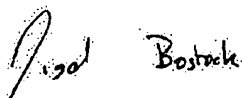
Auditor's responsibilities for the audit of the financial statements

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 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 for our audit work, for this report, or for the opinions we have formed.



Nigel Bostock (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

Date: 1 October 2020

LTH HOTELS (LEICESTER) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	12 months to 31 December 2019 £	18 months to 31 December 2018 £
Turnover		2,401,518	943,918
Cost of sales		(1,316,975)	(894,725)
Gross profit		1,084,543	49,193
Administrative expenses		(1,046,546)	(978,103)
Operating profit/(loss)		37,997	(928,910)
Interest payable and similar expenses		(104,295)	(47,525)
Loss before tax		(66,298)	(976,435)
Tax on loss	4	(48,585)	(85,294)
Loss for the financial year		(114,883)	(1,061,729)

The notes on pages 10 to 20 form part of these financial statements.

LTH HOTELS (LEICESTER) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2019

		12 months to 31 December 2019 £	18 months to 31 December 2018 £
	Note		
Loss for the financial year		(114,883)	(1,061,729)
Other comprehensive income			
Unrealised surplus on revaluation of tangible fixed assets	5	-	1,652,484
Deferred tax on revaluation of tangible fixed assets	10	-	(975,708)
Other comprehensive income for the year/period		-	676,776
Total comprehensive income for the year		(114,883)	(384,953)

The notes on pages 10 to 20 form part of these financial statements.

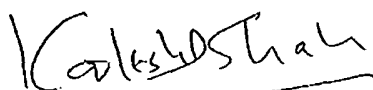
LTH HOTELS (LEICESTER) LIMITED
REGISTERED NUMBER: 10833485

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	8,849,773	9,000,000
Current assets			
Stocks		12,283	-
Debtors: amounts falling due after more than one year	6	-	2,004
Debtors: amounts falling due within one year	6	136,958	183,786
Cash at bank and in hand		127,936	464,542
		<u>277,177</u>	<u>650,332</u>
Creditors: amounts falling due within one year	7	(524,733)	(371,891)
Net current (liabilities)/assets		<u>(247,556)</u>	<u>278,441</u>
Total assets less current liabilities		<u>8,602,217</u>	<u>9,278,441</u>
Creditors: amounts falling due after more than one year	8	(7,992,465)	(8,602,391)
Provisions for liabilities			
Deferred tax		(1,109,587)	(1,061,002)
Net liabilities		<u>(499,835)</u>	<u>(384,952)</u>
Capital and reserves			
Called up share capital		1	1
Revaluation reserve	11	652,381	676,776
Profit and loss account	11	(1,152,217)	(1,061,729)
		<u>(499,835)</u>	<u>(384,952)</u>

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

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



Koolesh D. Shah
Director

Date: 1 October 2020

The notes on pages 10 to 20 form part of these financial statements.

LTH HOTELS (LEICESTER) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2017	1	-	-	1
Comprehensive income for the period				
Loss for the period	-	-	(1,061,729)	(1,061,729)
Surplus on revaluation of freehold property	-	1,652,484	-	1,652,484
Deferred tax on revaluation of property	-	(975,708)	-	(975,708)
At 1 January 2019	1	676,776	(1,061,729)	(384,952)
Comprehensive income for the year				
Loss for the year	-	-	(114,883)	(114,883)
Transfer to/from profit and loss account	-	(24,395)	24,395	-
At 31 December 2019	1	652,381	(1,152,217)	(499,835)

The notes on pages 10 to 20 form part of these financial statements.

LTH HOTELS (LEICESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 is a private company limited by shares (registered number 10833485), which is incorporated and domiciled in the UK. The address of the registered office is 8-14 Talbot Square, London, W2 1TS.

The company commenced trade on 1 July 2017 and the accounting reference date was extended to 31 December to bring the reporting date in line with the immediate and ultimate parent companies (note 12). The prior period in these financial statements therefore cover the 18 month period beginning 1 July 2017 and ending on 31 December 2018.

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 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 current and developing impact on the business as a result of the COVID-19 pandemic. This has 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, although the situation marginally eased in June 2020 as 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 this temporary disruption caused by the pandemic, but the directors will 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.

At this stage the directors have 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. 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.

LTH HOTELS (LEICESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.2 Going concern (continued)

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 Finance costs

Finance costs are charged to profit or loss 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.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.6 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

LTH HOTELS (LEICESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 profit or loss 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.

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.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance

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

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

LTH HOTELS (LEICESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 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 other comprehensive income 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 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 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.

2.12 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.

2.13 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.

LTH HOTELS (LEICESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 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 profit or loss 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.

2.15 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. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Staff	<u>22</u>	<u>13</u>

4. Taxation

	12 months to 31 December 2019 £	18 months to 31 December 2018 £
Deferred tax		
Deferred tax - current year	48,585	85,294
Total deferred tax	<u>48,585</u>	<u>85,294</u>
Taxation on profit on ordinary activities	<u>48,585</u>	<u>85,294</u>

LTH HOTELS (LEICESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19)

	12 months to 31 December 2019 £	18 months to 31 December 2018 £
Loss on ordinary activities before tax	(66,298)	(976,435)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(12,597)	(185,523)
Effects of:		
Permanent differences	17,555	11,079
Deferred tax movement not previously provided for & effects of changes in rate of tax	(5,716)	(13,679)
Group relief	49,343	273,417
Total tax charge for the year/period	48,585	85,294

Factors that may affect future tax charges

The deferred tax liability arising on the revaluation of properties (note 10) has been provided at the rate substantially enacted at the balance sheet date of 17%. Since the balance sheet date there was a rate change from 17% to 19% that was substantially enacted on 11 March 2020. The impact of this rate change from 17% to 19%, had this been enacted at the balance sheet date, would have resulted in an increase in the deferred tax liability arising on the revaluation of properties and included in the financial statements of £114,789 from £975,708 (note 10) to £1,090,497.

There were no other factors of which we are presently aware that may affect future tax charges.

LTH HOTELS (LEICESTER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2019	7,801,451	520,878	1,167,050	9,489,379
Additions	167,288	8,411	24,698	200,397
At 31 December 2019	<u>7,968,739</u>	<u>529,289</u>	<u>1,191,748</u>	<u>9,689,776</u>
Depreciation				
At 1 January 2019	123,327	96,490	269,563	489,380
Charge for the year on owned assets	147,375	64,920	138,328	350,623
At 31 December 2019	<u>270,702</u>	<u>161,410</u>	<u>407,891</u>	<u>840,003</u>
Net book value				
At 31 December 2019	<u>7,698,037</u>	<u>367,879</u>	<u>783,857</u>	<u>8,849,773</u>
At 31 December 2018	<u>7,678,124</u>	<u>424,389</u>	<u>897,487</u>	<u>9,000,000</u>

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

	2019 £	2018 £
Freehold	7,698,037	7,678,124
	<u>7,698,037</u>	<u>7,678,124</u>

Cost or valuation at 31 December 2019 is as follows:

	Land and buildings £
At cost	6,316,265
At valuation:	
Revaluation to 31 December 2019	1,652,484
	<u>7,968,739</u>

LTH HOTELS (LEICESTER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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:

	2019 £	2018 £
Cost	6,316,255	6,148,967
Accumulated depreciation	(356,931)	(233,951)
Net book value	<u>5,959,324</u>	<u>5,915,016</u>

6. Debtors

	2019 £	2018 £
Due after more than one year		
Amounts owed by group undertakings	-	2,004
	<u>-</u>	<u>2,004</u>

	2019 £	2018 £
Due within one year		
Trade debtors	99,098	28,993
Other debtors	10,625	125,469
Prepayments and accrued income	27,235	29,324
	<u>136,958</u>	<u>183,786</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	294,677	236,020
Other taxation and social security	52,128	5,376
Other creditors	43,489	26,009
Accruals and deferred income	134,439	104,486
	<u>524,733</u>	<u>371,891</u>

LTH HOTELS (LEICESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

	2019 £	2018 £
Bank loans	4,000,000	1,500,000
Amounts owed to group undertakings	3,992,465	7,102,391
	<u>7,992,465</u>	<u>8,602,391</u>

Secured loans

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

9. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due 2-5 years		
Bank loans	4,000,000	1,500,000
	<u>4,000,000</u>	<u>1,500,000</u>

10. Deferred taxation

	2019 £
At beginning of year	(1,061,002)
Charged to profit or loss	(48,585)
Charged to other comprehensive income	-
At end of year	<u>(1,109,587)</u>

LTH HOTELS (LEICESTER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(133,879)	(85,294)
Deferred tax on revaluation of property	(975,708)	(975,708)
	<u>(1,109,587)</u>	<u>(1,061,002)</u>

11. Reserves**Revaluation reserve**

The revaluation reserve as at 31 December 2019 is £652,381 (2018: £676,776), which relates to the revaluation of land and buildings in the current year. 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 2019 is £(1,182,217) (2018: £(1,061,729)). 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 2019. The consolidated financial statements of London Town Group of Companies Holdings Limited can be obtained from 8-14 Talbot Square, London W2 1TS.

London Town Group of Companies Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2019. 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.

LTH HOTELS (LEICESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13. Post balance sheet events

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization on 30 January 2020.

The COVID-19 pandemic has been duly considered by the directors.

This has 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, although the situation marginally eased in June 2020 as 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 this temporary disruption caused by the pandemic, but the directors will 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.

At this stage the directors have 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. 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.