
LTH HOTELS (LEICESTER) LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE PERIOD ENDED 30 JUNE 2021



LTH HOTELS (LEICESTER) LIMITED
REGISTERED NUMBER: 10833485

BALANCE SHEET
AS AT 30 JUNE 2021

		30 June 2021 £	31 December 2019 £
Fixed assets			
Tangible assets	4	8,448,326	8,849,773
Non-current assets			
Debtors: amounts falling due after more than one year		170,000	-
Current assets			
Stocks		12,283	12,283
Debtors: amounts falling due within one year	5	171,067	136,958
Cash at bank and in hand		44,706	127,936
		<u>228,056</u>	<u>277,177</u>
Creditors: amounts falling due within one year	6	(507,667)	(524,733)
Net current liabilities		(279,611)	(247,556)
Total assets less current liabilities		<u>8,338,715</u>	<u>8,602,217</u>
Creditors: amounts falling due after more than one year	7	(8,151,018)	(7,992,465)
Provisions for liabilities			
Deferred tax	9	(1,631,746)	(1,109,587)
Net liabilities		<u>(1,444,049)</u>	<u>(499,835)</u>
Capital and reserves			
Called up share capital		1	1
Revaluation reserve	10	193,224	652,381
Profit and loss account	10	(1,637,274)	(1,152,217)
		<u>(1,444,049)</u>	<u>(499,835)</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.

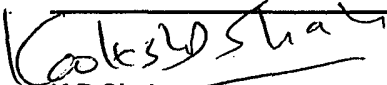
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

LTH HOTELS (LEICESTER) LIMITED
REGISTERED NUMBER: 10833485

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2021


K D Shah
Director
Date:

The notes on pages 4 to 14 form part of these financial statements.

LTH HOTELS (LEICESTER) LIMITED

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
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 1 January 2020	1	652,381	(1,152,217)	(499,835)
Comprehensive income for the period				
Loss for the period	-	-	(485,057)	(485,057)
Deferred tax on revaluation of land and buildings	-	(459,157)	-	(459,157)
At 30 June 2021	1	193,224	(1,637,274)	(1,444,049)

The notes on pages 4 to 14 form part of these financial statements.

LTH HOTELS (LEICESTER) LIMITED

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

1. General information

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

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

The average monthly number of employees, including the directors, during the period was 22 (2019 - 22).

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

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

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

Overall, the director has 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 PERIOD ENDED 30 JUNE 2021

2. Accounting policies (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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

2.5 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.

2.6 Borrowing costs

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

2.7 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.

2.8 Current and deferred taxation

The tax expense for the period 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.

LTH HOTELS (LEICESTER) LIMITED

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

2. Accounting policies (continued)

2.8 Current and deferred taxation (continued)

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.

For the period ended 30 June 2021 such rates have changed from 17% considered in the year ended 31 December 2019 to 25% and the deferred tax liabilities determined have been revised as appropriate.

2.9 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 PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Debtors

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

2.13 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.

2.14 Creditors

Short term creditors are measured at the transaction price.

2.15 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.

LTH HOTELS (LEICESTER) LIMITED

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

3. Taxation

	18 months ended 30 June 2021 £	12 months ended 31 December 2019 £
Total current tax	-	-
Deferred tax		
Restated opening balance due to change in rate of tax	63,002	-
Deferred tax - current year	-	48,585
Total deferred tax	63,002	48,585
Taxation on profit on ordinary activities	63,002	48,585

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	18 months ended 30 June 2021 £	12 months ended 31 December 2019 £
Loss on ordinary activities before tax	(422,055)	(66,298)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(80,190)	(12,597)
Effects of:		
Permanent differences	53,196	17,555
Deferred tax movement not previously provided for & effects of changes in rate of tax	17,492	(5,716)
Group relief	72,504	49,343
Total tax charge for the period/year	63,002	48,585

Factors that may affect future tax charges

LTH HOTELS (LEICESTER) LIMITED

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

3. Taxation (continued)

The deferred tax liability arising on the revaluation of properties (note 11) has been provided at the rate substantially enacted at the balance sheet date of 25% (2019: 17%).

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 PERIOD ENDED 30 JUNE 2021**

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2020	7,968,739	529,289	1,191,748	9,689,776
Additions	-	-	77,472	77,472
At 30 June 2021	7,968,739	529,289	1,269,220	9,767,248
Depreciation				
At 1 January 2020	270,702	161,409	407,891	840,002
Charge for the period on owned assets	221,062	78,441	179,417	478,920
At 30 June 2021	491,764	239,850	587,308	1,318,922
Net book value				
At 30 June 2021	7,476,975	289,439	681,912	8,448,326
At 31 December 2019	7,698,037	367,879	783,857	8,849,773

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

	30 June 2021 £	31 December 2019 £
Freehold	7,476,975	7,698,037

Cost or valuation at 30 June 2021 is as follows:

	Land and buildings £
At cost	6,316,255
At valuation:	
Revaluation to 30 June 2021	1,652,484
	7,968,739

LTH HOTELS (LEICESTER) LIMITED

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

4. 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:

	30 June 2021 £	31 December 2019 £
Cost	6,316,255	6,316,255
Accumulated depreciation	(356,931)	(356,931)
Net book value	5,959,324	5,959,324

5. Debtors

	30 June 2021 £	31 December 2019 £
Due after more than one year		
Amounts owed by group undertakings	170,000	-

	30 June 2021 £	31 December 2019 £
Due within one year		
Trade debtors	114,436	99,098
Other debtors	34,307	37,860
Prepayments	22,324	-
	171,067	136,958

LTH HOTELS (LEICESTER) LIMITED

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

6. Creditors: Amounts falling due within one year

	30 June 2021 £	31 December 2019 £
Trade creditors	184,891	294,677
Other taxation and social security	40,876	52,128
Other creditors	78,274	43,489
Accruals and deferred income	203,626	134,439
	<u>507,667</u>	<u>524,733</u>

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

	30 June 2021 £	31 December 2019 £
Bank loans	4,107,000	4,000,000
Amounts owed to group undertakings	4,044,018	3,992,465
	<u>8,151,018</u>	<u>7,992,465</u>

Secured loans

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

8. Loans

Analysis of the maturity of loans is given below:

	30 June 2021 £	31 December 2019 £
Amounts falling due 2-5 years		
Bank loans	<u>4,107,000</u>	<u>4,000,000</u>

LTH HOTELS (LEICESTER) LIMITED

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

9. Deferred taxation

	2021 £
At beginning of year	(1,109,587)
Charged to profit or loss	(63,002)
Charged to other comprehensive income	(459,157)
At end of year	<u>(1,631,746)</u>

The provision for deferred taxation is made up as follows:

	30 June 2021 £	31 December 2019 £
Accelerated capital allowances	(196,881)	(133,879)
Deferred tax on revaluation of property	(1,434,865)	(975,708)
	<u>(1,631,746)</u>	<u>(1,109,587)</u>

10. Reserves

Revaluation reserve

The revaluation reserve as at 30 June 2021 is £193,224 (31 December 2019: £652,381), 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 30 June 2021 is £(1,637,274) (31 December 2019: £(1,152,217)). The movement relates to the loss recognised during the year.

LTH HOTELS (LEICESTER) LIMITED

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

11. Related party transactions

The company has taken advantage of the exemption in FRS102 Section 33.1A from the requirement to disclose the transactions between two or more members of the group, as all members are wholly owned subsidiaries of the ultimate parent company.

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

The ultimate parent undertaking is London Town Group of Companies Holdings Limited, a company incorporated in England and Wales.

London Town Group of Companies Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 June 2021. The consolidated financial statements of London Town Group of Companies Holdings Limited can be obtained from 8-14 Talbot Square, London W2 1TS.

London Town Group of Companies Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 30 June 2021. The consolidated financial statements of London Town Group of Companies Limited can be obtained from 8-14 Talbot Square, London W2 1TS.

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

12. Auditor's information

The auditor's report on the financial statements for the period ended 30 June 2021 was unqualified.

The audit report was signed on 28 June 2022 by Nigel Bostock (Senior statutory auditor) on behalf of Crowe U.K. LLP.