

REGISTERED NUMBER: 11335069 (England and Wales)

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019
FOR
BGAM HOTELS (LX) LTD**



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FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

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BGAM HOTELS (LX) LTD
COMPANY INFORMATION
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019

DIRECTORS:

L M Becker
J D Levy
J P Levy
M D Rubin
N S Rubin

REGISTERED OFFICE:

Greenhill House
90/93 Cowcross Street
London
EC1M 6BF

REGISTERED NUMBER:

11335069 (England and Wales)

AUDITORS:

Goldwyns Limited
Statutory Auditors and Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

BGAM HOTELS (LX) LTD (REGISTERED NUMBER: 11335069)

**REPORT OF THE DIRECTORS
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

The directors present their report with the financial statements of the company and the group for the period 28 April 2018 to 30 April 2019.

COMMENCEMENT OF TRADING

The company was incorporated on 28 April 2018. The company itself is a non-trading holding company, providing financial and management support to its underlying trading subsidiaries. On 7 June 2018 the group acquired the entire share capital of Leigh Hotels Limited (previously KRO Hotels Limited), and therefore commenced trading activities.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 28 April 2018 to the date of this report.

L M Becker
J D Levy
J P Levy
M D Rubin
N S Rubin

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS


The auditors, Goldwyns Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

BGAM HOTELS (LX) LTD

**REPORT OF THE DIRECTORS
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
N S Rubin - Director

Date: 24.10.1.2020.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BGAM HOTELS (LX) LTD

Opinion

We have audited the financial statements of BGAM Hotels (LX) Ltd (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 April 2019 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet and Notes to the Financial Statements, 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 group's and of the parent company affairs as at 30 April 2019 and of the group's loss for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group'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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BGAM HOTELS (LX) LTD**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.



S Blundell ACA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors and Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

Date: 27/01/2020

BGAM HOTELS (LX) LTD (REGISTERED NUMBER: 11335069)

**CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

	Notes	£
TURNOVER		2,257,010
Cost of sales		<u>1,042,029</u>
GROSS PROFIT		1,214,981
Administrative expenses		<u>1,707,121</u>
OPERATING LOSS	4	(492,140)
Interest receivable and similar income		<u>90</u>
		(492,050)
Interest payable and similar expenses		<u>830,535</u>
LOSS BEFORE TAXATION		(1,322,585)
Tax on loss		<u>(426,898)</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(895,687)</u>
Loss attributable to: Owners of the parent		<u>(895,687)</u>

The notes form part of these financial statements

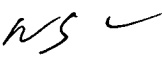
BGAM HOTELS (LX) LTD (REGISTERED NUMBER: 11335069)

**CONSOLIDATED BALANCE SHEET
30 APRIL 2019**

	Notes	£	£
FIXED ASSETS			
Intangible assets	7		5,620,060
Tangible assets	8		10,222,238
Investments	9		<u>-</u>
			15,842,298
CURRENT ASSETS			
Stocks		8,328	
Debtors	10	668,671	
Cash at bank and in hand		<u>55,062</u>	
		732,061	
CREDITORS			
Amounts falling due within one year	11	<u>1,714,726</u>	
NET CURRENT LIABILITIES			<u>(982,665)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,859,633
CREDITORS			
Amounts falling due after more than one year	12		(15,732,288)
PROVISIONS FOR LIABILITIES	15		<u>(23,027)</u>
NET LIABILITIES			<u>(895,682)</u>
CAPITAL AND RESERVES			
Called up share capital			5
Retained earnings			<u>(895,687)</u>
			<u>(895,682)</u>

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

The financial statements were approved by the Board of Directors on 24.10.2020 and were signed on its behalf by:


.....
N S Rubin - Director


The notes form part of these financial statements

COMPANY BALANCE SHEET
30 APRIL 2019

	Notes	£	£
FIXED ASSETS			
Intangible assets	7		-
Tangible assets	8		-
Investments	9		<u>9,261,768</u>
			9,261,768
CURRENT ASSETS			
Debtors	10	459,384	
CREDITORS			
Amounts falling due within one year	11	<u>10,311,006</u>	
NET CURRENT LIABILITIES			<u>(9,851,622)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(589,854)</u>
CAPITAL AND RESERVES			
Called up share capital			5
Retained earnings			<u>(589,859)</u>
			<u>(589,854)</u>
Company's loss for the financial year			<u>(589,859)</u>

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

The financial statements were approved by the Board of Directors on 24/01/2020 and were signed on its behalf by:


.....
N S Rubin - Director

The notes form part of these financial statements

BGAM HOTELS (LX) LTD (REGISTERED NUMBER: 11335069)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

1. STATUTORY INFORMATION

BGAM Hotels (LX) Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The group operates from its premises in Leigh.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the income receivable by the group from its trading activities as a hotel. Sales encompass room hire, food and beverage income and all other associated ancillary hotel and guest services. Turnover is recognised in the period in which the physical goods are sold, as services are performed or otherwise as entitlement accrues to the group.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2019, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets, representing the book loss on the disposal of the group's property during 2019, are being amortised over the 175 year life of the replacement leasehold property interest.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	- over remaining period of lease
Equipment	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 38.

The average number of employees by undertakings that were proportionately consolidated during the period was 38.

BGAM HOTELS (LX) LTD (REGISTERED NUMBER: 11335069)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

4. OPERATING LOSS

The operating loss is stated after charging:

	£
Other operating leases	38,181
Depreciation - owned assets	8,797
Depreciation - assets on finance leases	53,821
Goodwill amortisation	892,558
Other intangibles amortisation	<u>8,063</u>

5. AUDITORS' REMUNERATION

	£
Fees payable to the company's auditors for the audit of the company's financial statements	13,500
Other non- audit services	<u>15,950</u>

In addition, non-audit remuneration of £9,200 has been capitalised for work conducted on the acquisition of the company's subsidiary.

6. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

7. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Other intangible assets £	Totals £
COST			
Additions	<u>4,981,404</u>	<u>1,539,277</u>	<u>6,520,681</u>
At 30 April 2019	<u>4,981,404</u>	<u>1,539,277</u>	<u>6,520,681</u>
AMORTISATION			
Charge for period	<u>892,558</u>	<u>8,063</u>	<u>900,621</u>
At 30 April 2019	<u>892,558</u>	<u>8,063</u>	<u>900,621</u>
NET BOOK VALUE			
At 30 April 2019	<u>4,088,846</u>	<u>1,531,214</u>	<u>5,620,060</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold property £	Equipment £	Fixtures and fittings £	Totals £
COST					
Additions	-	10,275,000	-	29,068	10,304,068
Disposals	(6,500,000)	-	(88,416)	(786,837)	(7,375,253)
Acquired	<u>6,500,000</u>	<u>-</u>	<u>88,416</u>	<u>758,874</u>	<u>7,347,290</u>
At 30 April 2019	<u>-</u>	<u>10,275,000</u>	<u>-</u>	<u>1,105</u>	<u>10,276,105</u>
DEPRECIATION					
Charge for period	-	53,821	691	8,106	62,618
Eliminated on disposal	-	-	(55,935)	(380,041)	(435,976)
Acquired	<u>-</u>	<u>-</u>	<u>55,244</u>	<u>371,981</u>	<u>427,225</u>
At 30 April 2019	<u>-</u>	<u>53,821</u>	<u>-</u>	<u>46</u>	<u>53,867</u>
NET BOOK VALUE					
At 30 April 2019	<u>-</u>	<u>10,221,179</u>	<u>-</u>	<u>1,059</u>	<u>10,222,238</u>

On 7 June 2018 the group entered into agreement to sell and then leaseback the property from which it trades, over a period of 175 years. This lease substantially amounts to a financing lease, as the group will derive benefit from the property throughout a major part of its useful life, and has been recognised accordingly.

The disposal event created an accounting loss which has been recognised as an intangible fixed asset (above) and is being written down over the same period as the property.

Fixed assets, included in the above, which are held under finance leases are as follows:

	Leasehold property £
COST	
Additions	<u>10,275,000</u>
At 30 April 2019	<u>10,275,000</u>
DEPRECIATION	
Charge for period	<u>53,821</u>
At 30 April 2019	<u>53,821</u>
NET BOOK VALUE	
At 30 April 2019	<u>10,221,179</u>

BGAM HOTELS (LX) LTD (REGISTERED NUMBER: 11335069)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

9. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
Additions	<u>9,261,768</u>
At 30 April 2019	<u>9,261,768</u>
NET BOOK VALUE	
At 30 April 2019	<u><u>9,261,768</u></u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Leigh Hotels Limited

Registered office: Greenhill House, 90/93 Cowcross Street, London, EC1M 6BF

Nature of business: Hotel

	%
Class of shares:	holding
Ordinary	100.00

The company acquired the entire issued share capital of Leigh Hotels Limited on 7 June 2018. A proportion of the purchase price was attributed to repaying the subsidiary's debt at that time, with the rest representing the cost of shares acquired.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	Company £
Trade debtors	75,890	-
Other debtors	<u>592,781</u>	<u>459,384</u>
	<u><u>668,671</u></u>	<u><u>459,384</u></u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	Company £
Bank loans and overdrafts	120,500	-
Trade creditors	278,465	-
Amounts owed to group undertakings	-	9,525,291
Taxation and social security	391,311	-
Other creditors	<u>924,450</u>	<u>785,715</u>
	<u><u>1,714,726</u></u>	<u><u>10,311,006</u></u>

BGAM HOTELS (LX) LTD (REGISTERED NUMBER: 11335069)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group £
Bank loans	5,404,500
Finance leases (see note 13)	<u>10,327,788</u>
	<u>15,732,288</u>
	Group £
Amounts falling due in more than five years:	
Repayable by instalments	
Finance leases	<u>10,327,788</u>
	<u>10,327,788</u>

13. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Finance leases £
Gross obligations repayable:	
Within one year	262,361
Between one and five years	1,072,729
In more than five years	<u>78,273,321</u>
	<u>79,608,411</u>
Finance charges repayable:	
Within one year	262,361
Between one and five years	1,072,729
In more than five years	<u>67,945,533</u>
	<u>69,280,623</u>
Net obligations repayable:	
In more than five years	<u>10,327,788</u>

On 7 June 2018 the group entered into an agreement to lease the property from which it trades for a period of 175 years. This transaction amounts to a finance lease and has been recognised accordingly. The group is liable for an annual rent of £173,000, adjusted for changes in the retail price index but subject to a minimum of 1% and a maximum of 4% increase per year.

Throughout the initial period of the lease the annual interest arising will exceed the rental payments due and therefore the group's recognised finance liability will continue to increase.

BGAM HOTELS (LX) LTD (REGISTERED NUMBER: 11335069)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 APRIL 2018 TO 30 APRIL 2019**

14. SECURED DEBTS

The following secured debts are included within creditors:

	Group £
Bank loans	5,525,000
Finance leases	<u>10,327,788</u>
	<u><u>15,852,788</u></u>

The group's bank loans are secured by fixed charge over the group's property, equipment and all assets. The group's previous bank loan was satisfied on 7 June 2018.

Finance lease liabilities are secured on the assets to which they relate.

15. PROVISIONS FOR LIABILITIES

At the balance sheet date the group had recognised provisions totalling £8,620 for deferred tax liabilities and £14,407 in respect of other commercial costs.

16. RESERVES

Group	Revaluation reserve £
Transfer of fair value	(3,050,937)
Acquired	<u>3,050,937</u>
At 30 April 2019	<u><u>-</u></u>

17. RELATED PARTY DISCLOSURES

At the balance sheet date the group owed £442,765 to companies under common control.

18. POST BALANCE SHEET EVENTS

At 30 April 2019 the company was involved in a dispute with the previous owner of the subsidiary, as to the recoverability of various pre-acquisition debts. The directors were confident as to their legal position and subsequently, but prior to the completion of the 2019 accounts, settlement was received on the outstanding amounts. These accounts therefore include an appropriate proportion of the outstanding debt and the associated professional costs accruing.

19. GOING CONCERN

The consolidated income statement reports a loss for the period of £895,687 and the consolidated balance sheet a deficiency of net assets amounting to £895,682. The directors do not consider these reported results to be indicative of a going concern issue however, due to the strength of the underlying trade and the underlying subsidiary which at 30 April 2019 had distributable reserves of over £4.8m. The consolidated financial deficit does not represent an inability to finance the group's liabilities as they fall due.

The financial statements are therefore drawn up under the historical cost convention and on a going concern basis.