

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023
FOR
BGAM HOTELS (LX) LTD**

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FOR THE YEAR ENDED 30 APRIL 2023**

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BGAM HOTELS (LX) LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2023

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2023**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2022 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;
- 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 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.

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:

J D Levy - Director

17 January 2024

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 year ended 30 April 2023 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 2023 and of the group's 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In order to address the risks of misstatements in respect of irregularities, including fraud, we have:

- obtained an understanding of the key laws and regulations applicable to the group, including the Companies Act 2006, and applicable taxation legislation;
- assessed the group's own internal controls and systems for the prevention and detection of irregularities and particularly the control environment within which they operate;
- determined a materiality level and audit approach sufficient to identify most irregularities, including fraud, that may occur;
- considered our own involvement in the preparation of the group's statutory financial statements and taxation returns;
- conducted audit verification work, on a sample basis, on the key audit areas and risks we have identified; and
- reflected on the outcome of our work, and the likelihood that conclusions drawn may be indicative of other areas of potential irregularity.

We therefore consider our audit approach has been sufficient to detect material irregularities, including fraud.

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.

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

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 T Blundell FCA (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

18 January 2024

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023**

	Notes	2023 £	2022 £
TURNOVER		2,939,137	2,804,010
Cost of sales		<u>1,520,998</u>	<u>1,143,480</u>
GROSS PROFIT		1,418,139	1,660,530
Administrative expenses		<u>1,813,493</u>	<u>1,720,331</u>
OPERATING LOSS	4	(395,354)	(59,801)
Interest payable and similar expenses		<u>483,668</u>	<u>476,408</u>
LOSS BEFORE TAXATION		(879,022)	(536,209)
Tax on loss		<u>31,130</u>	<u>87,542</u>
LOSS FOR THE FINANCIAL YEAR		<u>(910,152)</u>	<u>(623,751)</u>
Loss attributable to: Owners of the parent		<u>(910,152)</u>	<u>(623,751)</u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET
30 APRIL 2023**

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Intangible assets	6		1,587,795		2,580,915
Tangible assets	7		9,990,708		10,050,884
Investments	8		-		-
			<u>11,578,503</u>		<u>12,631,799</u>
CURRENT ASSETS					
Stocks		10,944		7,821	
Debtors	9	668,372		501,625	
Cash at bank and in hand		<u>52,640</u>		<u>1,200</u>	
		731,956		510,646	
CREDITORS					
Amounts falling due within one year	10	<u>6,871,019</u>		<u>1,530,090</u>	
NET CURRENT LIABILITIES			<u>(6,139,063)</u>		<u>(1,019,444)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,439,440		11,612,355
CREDITORS					
Amounts falling due after more than one year	11		(10,721,349)		(15,988,373)
PROVISIONS FOR LIABILITIES	14		<u>(27,932)</u>		<u>(23,671)</u>
NET LIABILITIES			<u>(5,309,841)</u>		<u>(4,399,689)</u>
CAPITAL AND RESERVES					
Called up share capital			5		5
Retained earnings			<u>(5,309,846)</u>		<u>(4,399,694)</u>
			<u>(5,309,841)</u>		<u>(4,399,689)</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 and authorised for issue on 17 January 2024 and were signed on its behalf by:

J D Levy - Director

**COMPANY BALANCE SHEET
30 APRIL 2023**

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Intangible assets	6		-		-
Tangible assets	7		-		-
Investments	8		<u>9,201,982</u>		<u>9,201,982</u>
			<u>9,201,982</u>		<u>9,201,982</u>
CREDITORS					
Amounts falling due within one year	10	<u>9,896,303</u>		<u>9,896,303</u>	
NET CURRENT LIABILITIES			<u>(9,896,303)</u>		<u>(9,896,303)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(694,321)</u>		<u>(694,321)</u>
CAPITAL AND RESERVES					
Called up share capital			5		5
Retained earnings			<u>(694,326)</u>		<u>(694,326)</u>
			<u>(694,321)</u>		<u>(694,321)</u>
Company's profit for the financial year			<u>-</u>		<u>-</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 and authorised for issue on 17 January 2024 and were signed on its behalf by:

J D Levy - Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

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 2018, is being amortised evenly over its estimated useful life of five years.

Other intangible assets

Intangible assets, representing the book loss on the disposal of the group's property during 2018, 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 a period of 175 years
Equipment	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 43 (2022 - 31) .

4. OPERATING LOSS

The operating loss is stated after charging:

	2023	2022
	£	£
Other operating leases	44,981	33,860
Depreciation - owned assets	1,461	2,753
Depreciation - assets on finance leases	58,715	58,714
Goodwill amortisation	984,324	984,324
Other intangibles amortisation	8,796	8,795
Auditors' remuneration	<u>9,750</u>	<u>25,500</u>

5. 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.

6. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Other intangible assets	Totals
	£	£	£
COST			
At 1 May 2022			
and 30 April 2023	<u>4,921,618</u>	<u>1,539,277</u>	<u>6,460,895</u>
AMORTISATION			
At 1 May 2022	3,845,530	34,450	3,879,980
Charge for year	984,324	8,796	993,120
At 30 April 2023	<u>4,829,854</u>	<u>43,246</u>	<u>4,873,100</u>
NET BOOK VALUE			
At 30 April 2023	<u>91,764</u>	<u>1,496,031</u>	<u>1,587,795</u>
At 30 April 2022	<u>1,076,088</u>	<u>1,504,827</u>	<u>2,580,915</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

7. TANGIBLE FIXED ASSETS

Group

	Leasehold property £	Equipment £	Fixtures and fittings £	Totals £
COST				
At 1 May 2022 and 30 April 2023	10,275,000	4,362	9,181	10,288,543
DEPRECIATION				
At 1 May 2022	229,964	1,467	6,228	237,659
Charge for year	58,715	723	738	60,176
At 30 April 2023	288,679	2,190	6,966	297,835
NET BOOK VALUE				
At 30 April 2023	9,986,321	2,172	2,215	9,990,708
At 30 April 2022	10,045,036	2,895	2,953	10,050,884

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	
At 1 May 2022 and 30 April 2023	10,275,000
DEPRECIATION	
At 1 May 2022	229,964
Charge for year	58,715
At 30 April 2023	288,679
NET BOOK VALUE	
At 30 April 2023	9,986,321
At 30 April 2022	10,045,036

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

8. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 May 2022
and 30 April 2023

9,201,982

NET BOOK VALUE

At 30 April 2023
At 30 April 2022

9,201,982

9,201,982

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.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2023	2022
	£	£
Trade debtors	55,489	73,867
Other debtors	<u>612,883</u>	<u>427,758</u>
	<u>668,372</u>	<u>501,625</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	5,259,131	150,462	-	-
Trade creditors	385,346	241,354	-	-
Amounts owed to group undertakings	-	-	9,312,534	9,312,534
Taxation and social security	197,777	188,164	-	-
Other creditors	<u>1,028,765</u>	<u>950,110</u>	<u>583,769</u>	<u>583,769</u>
	<u>6,871,019</u>	<u>1,530,090</u>	<u>9,896,303</u>	<u>9,896,303</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

The group's pre-existing bank finance was due to expire in April 2024, and hence has been shown as short term debt. However, since the balance sheet date, the group entered into a new finance agreement with a new provider, securing its future. The replacement loan is repayable over 5 years on an interest only profile.

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

	Group	
	2023	2022
	£	£
Bank loans	-	5,265,399
Finance leases (see note 12)	10,721,349	10,722,974
	<u>10,721,349</u>	<u>15,988,373</u>

	Group	
	2023	2022
	£	£
Amounts falling due in more than five years:		
Repayable by installments		
Finance leases	10,721,349	10,722,974
	<u>10,721,349</u>	<u>10,722,974</u>

12. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2023	2022
	£	£
Gross obligations repayable:		
Within one year	272,241	271,422
Between one and five years	1,110,806	1,102,294
In more than five years	78,007,335	77,787,777
	<u>79,390,382</u>	<u>79,161,493</u>
Finance charges repayable:		
Within one year	272,241	271,422
Between one and five years	1,110,806	1,102,294
In more than five years	67,285,986	67,064,803
	<u>68,669,033</u>	<u>68,438,519</u>
Net obligations repayable:		
In more than five years	<u>10,721,349</u>	<u>10,722,974</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

12. LEASING AGREEMENTS - continued

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.

13. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2023	2022
	£	£
Bank overdraft	-	36,230
Bank loans	5,259,131	5,379,631
Finance leases	10,721,349	10,722,974
	<u>15,980,480</u>	<u>16,138,835</u>

The subsidiary has also given cross-guarantees in respect of other associated companies' debts. At the balance sheet date, those companies' liabilities to the bank totalled £10,692,409 (2022 - £9,517,327).

The subsidiary has given fixed and floating charges over all of its interest in the property (and any proceeds arising therefrom) as security for its bank loans, and its cross-guarantee.

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

Bank overdraft is guaranteed by the other associated companies.

14. PROVISIONS FOR LIABILITIES

At the balance sheet date the group had recognised provisions totalling £27,932 (2022 - £23,671) in respect of other commercial disputes.

15. RELATED PARTY DISCLOSURES

The group works closely with a portfolio of four other hotels and their respective companies, all under similar (but not identical) control. Further, the whole portfolio is managed by BGAM Limited, a hotel management enterprise, again with ownership similarities and common directors. These close working relationships enables all businesses to access necessary trading expertise when needed, negotiate beneficial relationships with suppliers and leverage various economies of scale for mutual benefit.

During the course of the year, the group incurred management costs totalling £72,550 (2022 - £68,200) to BGAM Limited.

In aggregate at the balance sheet date, the group was owed £497,600 by, and owed £871,906 to, these associated companies (2022 - £258,875 and £834,906 respectively).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.