

Company registration number 05055746 (England and Wales)

MGM HOTELS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

MGM HOTELS LIMITED

COMPANY INFORMATION

Director	Mr M Murphy
Secretary	Mr M Murphy
Company number	05055746
Registered office	Old Palace Lodge Hotel Church Street Dunstable Bedfordshire LU5 4RT
Accountants	The Ollis Partnership Limited Nelson House 2 Hamilton Terrace Leamington Spa Warwickshire CV32 4LY
Business address	Old Palace Lodge Hotel Church Street Dunstable Bedfordshire LU5 4RT

MGM HOTELS LIMITED

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MGM HOTELS LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MGM HOTELS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of MGM Hotels Limited for the year ended 31 December 2022 set out on pages 2 to 9 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the board of directors of MGM Hotels Limited, as a body, in accordance with the terms of our engagement letter dated 22 April 2015. Our work has been undertaken solely to prepare for your approval the financial statements of MGM Hotels Limited and state those matters that we have agreed to state to the board of directors of MGM Hotels Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MGM Hotels Limited and its board of directors as a body, for our work or for this report.

It is your duty to ensure that MGM Hotels Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of MGM Hotels Limited. You consider that MGM Hotels Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of MGM Hotels Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

The Ollis Partnership Limited

25 September 2023

Chartered Accountants

Nelson House
2 Hamilton Terrace
Leamington Spa
Warwickshire
CV32 4LY

MGM HOTELS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	4	4,854,171	4,885,227
Current assets			
Stocks		17,237	3,900
Debtors	5	48,525	83,868
Cash at bank and in hand		478,106	666,905
		543,868	754,673
Creditors: amounts falling due within one year	6	(694,689)	(895,027)
Net current liabilities		(150,821)	(140,354)
Total assets less current liabilities		4,703,350	4,744,873
Creditors: amounts falling due after more than one year	7	(3,131,056)	(3,302,952)
Provisions for liabilities		(6,601)	(9,591)
Net assets		1,565,693	1,432,330
Capital and reserves			
Called up share capital		50,000	50,000
Profit and loss reserves		1,515,693	1,382,330
Total equity		1,565,693	1,432,330

MGM HOTELS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved and signed by the director and authorised for issue on 25 September 2023

Mr M Murphy
Director

Company Registration No. 05055746

MGM HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

MGM Hotels Limited is a private company limited by shares incorporated in England and Wales. The registered office is Old Palace Lodge Hotel, Church Street, Dunstable, Bedfordshire, LU5 4RT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Nil
Computer equipment	33% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MGM HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Basic financial assets and liabilities

Debtors and cash and bank balances, are measured at transaction price. Any impairments are recognised in the profit and loss account in other administrative expenses.

Basic financial liabilities, including creditors, bank loans are recognised at transaction price, as modified by any accrued interest on loans.

Trade Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

MGM HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

MGM HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 48 (2021 - 48).

	2022 Number	2021 Number
Total	48	48

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2022	4,749,653	1,924,618	6,674,271
Additions	-	49,180	49,180
At 31 December 2022	4,749,653	1,973,798	6,723,451
Depreciation and impairment			
At 1 January 2022	-	1,789,044	1,789,044
Depreciation charged in the year	-	80,236	80,236
At 31 December 2022	-	1,869,280	1,869,280
Carrying amount			
At 31 December 2022	4,749,653	104,518	4,854,171
At 31 December 2021	4,749,653	135,574	4,885,227

MGM HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	27,253	31,850
Other debtors	16,772	45,182
	<u>44,025</u>	<u>77,032</u>
	2022	2021
	£	£
Amounts falling due after more than one year:		
Other debtors	4,500	6,836
	<u>4,500</u>	<u>6,836</u>
Total debtors	<u>48,525</u>	<u>83,868</u>
6 Creditors: amounts falling due within one year	2022	2021
	£	£
Bank loans	221,486	331,042
Trade creditors	181,982	207,967
Corporation tax	47,994	59,369
Other taxation and social security	111,679	59,435
Other creditors	131,548	237,214
	<u>694,689</u>	<u>895,027</u>
7 Creditors: amounts falling due after more than one year	2022	2021
	£	£
Bank loans and overdrafts	2,622,146	2,704,690
Other creditors	508,910	598,262
	<u>3,131,056</u>	<u>3,302,952</u>

MGM HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Loans and overdrafts

	2022 £	2021 £
Debenture loans	360,642	394,959
Bank loans	2,700,019	2,803,490
Other loans	573,333	400,000
	<u>3,312,788</u>	<u>3,633,994</u>
	<u><u>3,312,788</u></u>	<u><u>3,633,994</u></u>
Payable within one year	221,486	331,042
Payable after one year	3,091,302	3,302,952
	<u><u>3,091,302</u></u>	<u><u>3,302,952</u></u>

The Bank of Scotland has a First Legal Charge over the Freehold interests in The Old Palace Lodge Hotel in Dunstable, Bedfordshire. The Bank of Scotland also has an 'All monies' Debenture over the whole assets of MGM Hotels Limited.

Total secured creditors as at 31 December 2022 were £3,312,788 (2021 - £3,633,994).

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.