

Registration number: 0483582

# London LRG Hotel Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2014

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# **London LRG Hotel Limited**

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## **London LRG Hotel Limited**

### **Company Information**

<b>Directors</b>	P Ekas R Prince
<b>Company secretary</b>	HaysMacintyre Company Secretaries Limited
<b>Registered office</b>	26 Red Lion Square London WC1R 4AG
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor London United Kingdom

## **London LRG Hotel Limited**

### **Strategic Report for the Year Ended 31 December 2014**

The directors present their strategic report for the year ended 31 December 2014.

#### **Principal activity**

The principal activity of the company is the ownership and operation of hotels in the UK.

#### **Review of the business**

The company was managed, as part of the LRG Group of companies, on a central basis under a management agreement with InterContinental Hotels Group (Management Services) Limited at the year end and this management function was transferred early in 2015 to Redefine BDL Hotels Limited with use of IHG's brands retained under a franchise agreement.

The company's results for the year reflect an improving economy with an increase in both turnover and operating profit. The directors believe the company is well placed to benefit from any continued improvement in the underlying economy and demand for hotels in the UK.

The balance sheet shows the company's net asset position at the year end.

The LRG Group, of which the company is a member, sold 21 hotels during the year and, since the year end, a further 18 hotels along with 5 subsidiaries. The Group is currently marketing its remaining hotels which may result in the disposal of the Group or most of the Group's subsidiaries and operations within the next twelve months.

#### **Key performance indicators**

Turnover for the year increased by 3.1% (2013: increased by 3.3%). Management continue to emphasis increasing average room rate levels of occupancy and total room revenue.

Operating profit increased by 7.8% (2013: increased by 5.0%) and managements actions to control direct costs were ongoing throughout the year.

The business of the company is also reviewed on a central basis and, therefore, further key performance indicators are not appropriate for an understanding of the development, performance and position of the company's business.

#### **Results and dividends**

The profit after taxation for the year ended 31 December 2014 was £7,581,000 (2013: £10,245,000).

The directors do not propose a dividend for the year (2013: £nil).

## London LRG Hotel Limited

### Strategic Report for the Year Ended 31 December 2014 (continued)

#### Principal risks and uncertainties

##### *Demand risk*

The company is exposed to the inherent risks of economic and financial market developments, including recession, inflation, availability of affordable credit and currency fluctuations that could lower revenues and reduce income. A recession reduces leisure and business travel and adversely affects room rates and/or occupancy levels and other income-generating activities, resulting in deterioration of results of operations and potentially reducing the value of properties in affected economies. Through a continual business review process and monitoring of the business environment, together with the terms of, and the services standard required under the management agreement, the directors of the company and the wider group seek to mitigate these potential risks.

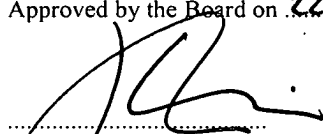
##### *Liquidity and cash flow risk*

The company is financed by way of shares and intercompany loans. The company manages liquidity risk by maintaining a balance between the continuity of funding and flexibility through use of loans from the company's holding company, LRG Holdings Limited, and its subsidiaries. LRG Holdings Limited has agreed to provide sufficient liquidity as necessary to allow the company to meet its obligations for at least the next twelve months. The directors' assessment of the company's ability to adopt the going concern basis of accounting is set out further in note 1 on page 12.

##### *Credit risk*

The company's principal financial assets are trade and other receivables. The credit risk on trade and other receivables is limited by the company's exposure being spread over a large number of counterparties and customers and by the support of the holding company. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

Approved by the Board on 22/6/15 and signed on its behalf by:

  
.....  
R Prince  
Director

## **London LRG Hotel Limited**

### **Directors' Report for the Year Ended 31 December 2014**

The directors present their annual report and the financial statements for the year ended 31 December 2014.

#### **Directors**

The directors who served throughout the year were as follows:

P Ekas

R Prince

#### **Going concern**

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The directors have concluded that the company is a going concern, please refer to note 1.

#### **Future developments**

The LRG Group, of which the company is a member, sold 21 hotels during the year and, since the year end, a further 18 hotels along with 5 subsidiaries. The Group is currently marketing its remaining hotels which may result in the disposal of the Group or most of the Group's subsidiaries and operations within the next twelve months.

#### **Employees**

The operations of the group were managed on a central basis under a management agreement. The company relies on the terms of the management agreement, as regards employees, in that the management company shall take all steps to enable the company to comply with any obligations it may have. As such, the employment policies in place embody the principles of equal opportunity. This includes suitable procedures to support the policy that individuals should not be discriminated against on the basis of race, disability, age, gender, sexuality or religion and that they should be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities. The value of employee involvement in effective communications is recognised, as is the need for their contribution to decision making on matters affecting their jobs. To achieve employee involvement at the most relevant level, there is a framework in place for consultation and information.

## London LRG Hotel Limited

### Directors' Report for the Year Ended 31 December 2014 (continued)

#### Auditor

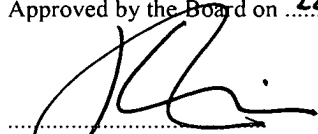
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 22/6/15 and signed on its behalf by:



R Prince  
Director

## **London LRG Hotel Limited**

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the annual 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 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 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

## **London LRG Hotel Limited**

### **Independent Auditor's Report**

We have audited the financial statements of London LRG Hotel Limited for the year ended 31 December 2014, which comprise the profit and loss account, note of historical cost profits and losses, the balance sheet and related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

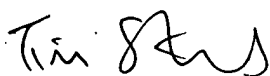
## London LRG Hotel Limited

### Independent Auditor's Report (continued)

#### Matters on which we are required to report by exception

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, 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.



Timothy Steel ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor

London  
United Kingdom

Date: 24/6/15

## London LRG Hotel Limited

### Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Turnover	2	35,897	34,803
Costs and overheads	3	<u>(19,976)</u>	<u>(20,029)</u>
<b>Operating profit</b>		15,921	14,774
Other interest receivable and similar income	5	10	22
Interest payable and similar charges	6	<u>(2,262)</u>	<u>(2,239)</u>
<b>Profit on ordinary activities before taxation</b>		13,669	12,557
Tax charge on profit on ordinary activities	7	<u>(6,088)</u>	<u>(2,312)</u>
<b>Profit for the financial year</b>	14	<u><u>7,581</u></u>	<u><u>10,245</u></u>

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above, therefore no Statement of Recognised Gains and Losses has been included.

## **London LRG Hotel Limited**

### **Note of Historical Cost Profits and Losses**

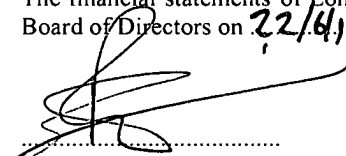
	<b>2014</b> <b>£ 000</b>	<b>2013</b> <b>£ 000</b>
Reported profit on ordinary activities before taxation	13,669	12,557
Historical cost depreciation charge less the actual depreciation charge calculated on the revalued amount	<u>252</u>	<u>252</u>
Historical cost profit on ordinary activities before taxation	<u>13,921</u>	<u>12,809</u>
Historical cost profit for the year retained after taxation	<u>7,833</u>	<u>10,497</u>

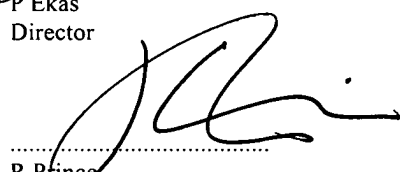
# London LRG Hotel Limited

## Balance Sheet as at 31 December 2014

	Note	2014 £ 000	2013 £ 000
<b>Fixed assets</b>			
Tangible assets	8	113,023	112,934
<b>Current assets</b>			
Stocks	9	49	52
Debtors: amounts falling due within one year	10	101,111	102,841
Cash at bank and in hand		24	25
		<u>101,184</u>	<u>102,918</u>
Creditors: amounts falling due within one year	11	<u>(125,771)</u>	<u>(134,977)</u>
<b>Net current liabilities</b>		<u>(24,587)</u>	<u>(32,059)</u>
<b>Total assets less current liabilities</b>		<b>88,436</b>	<b>80,875</b>
Provisions for liabilities	12	<u>(593)</u>	<u>(613)</u>
<b>Net assets</b>		<u><b>87,843</b></u>	<u><b>80,262</b></u>
<b>Capital and reserves</b>			
Called-up share capital	13	-	-
Share premium reserve	14	430	430
Revaluation reserve	14	17,835	18,087
Profit and loss account	14	<u>69,578</u>	<u>61,745</u>
<b>Shareholder's funds</b>	15	<u><b>87,843</b></u>	<u><b>80,262</b></u>

The financial statements of London LRG Hotel Limited, (registration number: 0483582) were approved by the Board of Directors on 22/4/15 and signed on its behalf by:

  
 .....  
 P Ekas  
 Director

  
 .....  
 R Prince  
 Director

## **London LRG Hotel Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

##### **Going concern**

The company is part of the LRG Holdings Limited group (the "Group") and the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the financial statements of LRG Holdings Limited.

The Group meets its day to day working capital requirements from normal trading activities through its portfolio of hotels. The existing debt facility is secured until 2018, with 100% of the Group's debt being either at a fixed rate, swapped into a fixed rate or capped. The Group's financial forecasts, taking account of the existing loan terms and current trading performance, show that the Group will be able to operate within the level of its current and future facilities and remain in compliance with the terms of its loan agreements.

Since the year end, the Group has agreed to sell 18 hotels and is currently marketing its remaining hotels which may result in the disposal of the Group or most of the Group's subsidiaries and operations within the next twelve months.

The company has net current liabilities as a result of intercompany loans which are payable on demand and accordingly is dependent on continuing support being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due. The company has received a letter from its parent company confirming that it will provide continuing support, for at least 12 months or to the date of disposal should a sale of the company go ahead.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for at least the next twelve months or to the date of disposal should a sale of the company take place. In the event a disposal of the company does take place, although there is inherent uncertainty around a purchaser's future actions, given the underlying profitability of the Group and the value of its assets, the directors believe that there are no material uncertainties that may cast significant doubt over the ability of the Group and the company to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

##### **Cash flow statement**

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group and its ultimate parent publishes consolidated financial statements.

##### **Tangible fixed assets**

Fixed assets are stated at cost less depreciation and any provision for impairment.

## London LRG Hotel Limited

### Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

At each balance sheet date, the company reviews 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). The impairment review is completed on a income-generating unit basis.

Recoverable amount is the higher of fair value less the costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects a market assessment of the time value of money.

If the recoverable amount of an asset (or income-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or income-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or income-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or income-generating unit) in prior years. A reversal of impairment loss is recognised as income immediately.

##### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation rate
Freehold buildings	periods up to 50 years
Leasehold buildings	over the shorter of 50 years and their remaining lease periods
Non core assets (including building surface finishes and services)	periods up to 25 years
Plant and machinery	between 5 and 15 years
Furniture and equipment	between 3 and 20 years

##### Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated cost to completion and selling costs.

##### Trade debtors

Trade debtors are recognised and carried at original amount earned less an allowance for any doubtful accounts. An allowance for doubtful accounts is made when collection of the full amount is no longer probable.

## **London LRG Hotel Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)**

#### **1 Accounting policies (continued)**

##### **Deferred tax**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are recognised in the financial statements of both the surrendering and recipient companies, being paid at a rate of 21.49% (2013: 23.25%) of the losses surrendered.

##### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

##### **Revenue recognition**

Revenue represents sales (excluding VAT and similar taxes) of goods and services, net of discounts provided in the normal course of business and is recognised when services have been rendered.

The revenue is primarily derived from the hotel operations, including the rental of rooms and food and beverage sales from a network of owned and leased hotels operated under the InterContinental Hotel Group's brand names. Revenue is recognised when rooms are occupied and food and beverage is sold.

##### **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Such estimates include the future cash flows and discount rates used in an impairment review of assets and investments. Actual results could differ from those estimates.

##### **Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

## London LRG Hotel Limited

### Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

#### 2 Turnover

Turnover, which is stated in the profit and loss account net of value added tax, represents amounts invoiced to third parties and is wholly attributable to the business of operating hotels in the UK.

#### 3 Costs and overheads

Operating profit is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£ 000</b>	<b>£ 000</b>
Raw materials and consumables	10,259	10,017
Employment costs	7,427	7,497
Depreciation of tangible fixed assets	1,396	1,620
Hire of plant and machinery	181	201
Other external charges	713	694
	<u>19,976</u>	<u>20,029</u>

Auditor's remuneration of £1,600 (2013: £1,600) has been borne by a fellow group undertaking in both the current and prior period.

#### 4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Administration and support	195	206

The aggregate payroll costs were as follows:

	<b>2014</b>	<b>2013</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	6,985	7,049
Social security costs	366	376
Other pension schemes	76	72
	<u>7,427</u>	<u>7,497</u>

# London LRG Hotel Limited

## Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

### 4 Particulars of employees (continued)

Directors' emoluments in the current and prior period were £nil.

The above numbers are averages for the year and calculated on a full-time equivalent basis.

### 5 Other interest receivable and similar income

	2014 £ 000	2013 £ 000
Bank interest receivable	10	22

### 6 Interest payable and similar charges

	2014 £ 000	2013 £ 000
Interest on loans from group undertakings	2,262	2,239

### 7 Taxation

#### Tax on profit on ordinary activities

	2014 £ 000	2013 £ 000
<b>Current tax</b>		
Corporation tax charge	3,040	3,098
Adjustments in respect of previous years	3,068	(586)
UK Corporation tax	6,108	2,512
<b>Deferred tax</b>		
Origination and reversal of timing differences	(30)	(100)
Adjustment relating to previous years	8	(91)
Effect of changes in tax rates	2	(9)
Total deferred tax	(20)	(200)
<b>Total tax charge on profit on ordinary activities</b>	<b>6,088</b>	<b>2,312</b>

## London LRG Hotel Limited

### Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

#### 7 Taxation (continued)

##### Factors affecting current tax charge for the year

The tax on profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK (2013: lower than the standard rate of corporation tax in the UK) of 21.49% (2013: 23.25%).

The differences are reconciled below:

	2014 £ 000	2013 £ 000
Profit on ordinary activities before tax	13,669	12,557
Corporation tax at standard rate	2,938	2,919
<b>Effects of:</b>		
Expenses not deductible for tax purposes	73	79
Capital allowances for year in excess of depreciation	30	100
Adjustments to tax charge in respect of previous years	3,067	(586)
<b>Total current tax</b>	<b>6,108</b>	<b>2,512</b>

#### 8 Tangible fixed assets

	Freehold land and buildings £ 000	Plant and machinery £ 000	Fixtures and fittings £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2014	108,561	16,925	13,584	139,070
Additions	-	466	1,019	1,485
At 31 December 2014	108,561	17,391	14,603	140,555
<b>Depreciation</b>				
At 1 January 2014	4,376	10,910	10,850	26,136
Charge for the year	371	595	430	1,396
At 31 December 2014	4,747	11,505	11,280	27,532
<b>Net book value</b>				
At 31 December 2014	103,814	5,886	3,323	113,023
At 31 December 2013	104,185	6,015	2,734	112,934

## London LRG Hotel Limited

### Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

#### 8 Tangible fixed assets (continued)

Properties are included above at cost or valuation less depreciation. In accordance with the transitional rules of FRS15 the carrying values of properties at 30 September 1999 have been treated as cost.

On the historical cost basis, the tangible fixed assets would have been included as follows:

Cost of £127,529,000 (2013: £126,044,000) less depreciation of £32,339,000 (2013: £31,195,000 ) resulting in an historical cost net book value of £95,190,000 (2013: £94,847,000).

At 30 September 1999 the freehold land and buildings were valued by Jones Lang LaSalle Hotels at £99,120,000 on an existing use value basis and a surplus of £19,663,000 was transferred to the revaluation reserve. Also at 30 September 1999 plant and machinery and fixtures, fittings and equipment were valued by Jones Lang LaSalle Hotels on an existing use value basis at £5,453,000 and £3,313,000 respectively. A surplus of £2,016,000 was transferred to the revaluation reserve.

The company's assets are held as security in respect of bank loans taken by LRG Acquisition Limited, an intermediate parent undertaking. The amount of the loans secured is stated in the accounts of LRG Acquisition Limited.

#### 9 Stocks

	2014 £ 000	2013 £ 000
Stocks	49	52

The difference between the purchase price of stock and their replacement costs is not material.

#### 10 Debtors: amounts falling due within one year

	2014 £ 000	2013 £ 000
Trade debtors	1,995	1,738
Amounts owed by group undertakings	98,347	98,162
Other debtors	22	127
Prepayments and accrued income	566	549
Corporation tax	181	2,265
	101,111	102,841

There are no specific repayment terms on amounts owed by fellow group undertakings and no interest is charged.

## London LRG Hotel Limited

### Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

#### 11 Creditors: amounts falling due within one year

	2014	2013
	£ 000	£ 000
Trade creditors	381	450
Loan payable to immediate parent undertaking	89,165	89,165
Amounts owed to fellow group undertakings	34,328	43,586
Other taxes and social security	506	416
Other creditors	608	615
Accruals and deferred income	783	745
	<u>125,771</u>	<u>134,977</u>

The loan payable to fellow group undertakings was issued on 24 May 2005 is repayable on demand. Interest is payable on the loan at a rate per annum equal to LIBOR +2% (2013: LIBOR + 2%).

There are no specific repayment terms on amounts owed to fellow group undertakings and no interest is charged.

#### 12 Provisions for liabilities

	Deferred tax
	£ 000
At 1 January 2014	613
Deferred tax credited in P&L for the year	(28)
Adjustment in respect of prior years	8
At 31 December 2014	<u>593</u>

#### Analysis of deferred tax

	2014	2013
	£ 000	£ 000
Accelerated capital allowances	<u>(593)</u>	<u>(613)</u>

No provision has been made for the deferred tax on the sale of properties at their net book value amounts as the company is not committed to their disposal, nor has any provision been made for deferred tax on sale of properties where gains have been rolled over into replacement assets. The total amount unprovided is estimated at £10,040,290 (2013: £3,999,000). It is not anticipated that any tax will be payable in the foreseeable future.

# London LRG Hotel Limited

## Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

### 13 Called-up share capital

#### Allotted, called-up and fully paid shares

	No.	2014 £	No.	2013 £
Ordinary shares of £1 each	300	300	300	300

### 14 Reserves

	Share premium reserve £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2014	430	18,087	61,745	80,262
Profit for the year	-	-	7,581	7,581
Other reserve movements	-	(252)	252	-
At 31 December 2014	430	17,835	69,578	87,843

### 15 Reconciliation of movement in shareholders' funds

	2014 £ 000	2013 £ 000
Profit attributable to the members of the company	7,581	10,245
Shareholders' funds at 1 January	80,262	70,017
Shareholders' funds at 31 December	87,843	80,262

### 16 Pension schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £76,000 (2013: £72,000).

### 17 Commitments

#### Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £749,000 (2013: £863,000).

## **London LRG Hotel Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)**

#### **18 Related party transactions**

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group on the basis that the company is a wholly owned subsidiary and that the ultimate parent company's accounts are publically available.

#### **19 Ultimate parent undertaking and controlling party**

The company is controlled by LRG Acquisition Limited. The ultimate parent undertaking and controlling party is LRG Holdings Limited.

Consolidated financial statements of LRG Holdings Limited are available from:  
26 Red Lion Square, London WC1R 4AG.