

LT Management Services Limited

Report and Financial Statements

18 Month Period Ended

28 June 2020

Company number: 02159755

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LT Management Services Limited

**Report and financial statements
for the 18 month period ended 28 June 2020**

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Director

W Buchanan

Secretary and registered office

N Turpin, 31 Haverscroft Industrial Estate, New Road, Attleborough, Norfolk, NR17 1YE

Company number

02159755

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

LT Management Services Limited

Strategic report
for the 18 month period ended 28 June 2020

Results and dividends

The income statement is set out on page 6. Revenues amounted to £5,907,000 (2018 - £9,019,000) and operating loss amounted to £1,363,000 (2018 - £62,000 loss).

The statement of financial position at 28 June 2020 showed net liabilities of £578,000 (2018 - £785,000 net assets).

The company did not pay a dividend to the parent company, LT Pub Management plc (2018 - £Nil).

Principal activities

The principal activities of LT Management Services Limited comprise the provision of a comprehensive range of front and back-office management services for owners of tenanted and managed pub estates, hotels, restaurants, other leisure and similar assets.

The activities generate income from a number of different arrangements, which are tailored to each client's needs, and include management fees and profit share arrangements. The entitlement to revenues and the responsibility for costs varies by agreement.

Principal risks and uncertainties

Economic climate

The economic environment, particularly with regard to consumer confidence and spending, remains very uncertain and any further increases in VAT and duty on alcohol will put additional pressure on revenues. However, there are many other factors involved in the ability of individual pubs to attract customers and the Group continues to work with its managers to enhance the trading potential of each site.

Recruitment and retention of managers

The recruitment and retention of highly skilled and professional managers continues to be a principal focus of the Group's management team since this is a key driver for the overall quality and profitability of the business. The market for good managers is very competitive and the Group continues to work closely with current and prospective managers to ensure the Group offers the right physical and business environment for all parties to prosper.

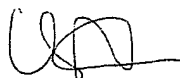
Information technology

The daily operation of the group is reliant on information technology for accounting, reporting and communications. There is a risk that serious disruption could occur if any of these systems were to fail for a significant period of time.

The risk is mitigated by business continuity plans to allow the business to function in the event of a major systems failure. The Group has controls in place to protect data including off site back up of data.

Approval

This strategic report was approved by order of the Board on 30 March 2021.



N Turpin

Company Secretary

LT Management Services Limited

Report of the director for the 18 month period ended 28 June 2020

Director

The director of the company during the period was:

W Buchanan

Creditor payment policy

The company's policy for the 18-month period ended 28 June 2020, for all suppliers, is to aim to abide by the agreed terms of payment. The number of day's purchases represented by period-end trade creditors at 28 June 2020 was 48 days (2018 - 66 days).

Director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then 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.

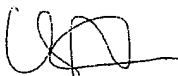
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO LLP as auditors will be proposed at the next annual general meeting.

By order of the Board



N Turpin
Company Secretary

30 March 2021

LT Management Services Limited

Report of the independent auditors

TO THE MEMBERS OF LT MANAGEMENT SERVICES LIMITED

Opinion

We have audited the financial statements of LT Management Services Limited ("the Company") for the 18 month period ended 28 June 2020 which comprise the income statement, statement of financial position, statement of changes in equity, and the 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 Company's affairs as at 28 June 2020 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 Company'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 included in the Directors report and financial statements, other than the financial statements and our auditor's report 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.

LT Management Services Limited

Report of the independent auditors (continued)

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 Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Director's responsibilities, 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 is 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LT Management Services Limited

Report of the independent auditors (continued)

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 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.

BDO LLP

Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

30 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LT Management Services Limited

Income statement for the 18 month period ended 28 June 2020

		18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000
Turnover	4	5,907	9,019
Cost of sales		(2,770)	(3,884)
Gross profit		3,137	5,135
Other Income	5	50	-
Administrative expenses		(4,550)	(5,197)
(Loss)/Profit on ordinary activities before taxation	7	(1,363)	(62)
Taxation on (loss)/profit on ordinary activities	8	-	-
(Loss)/Profit on ordinary activities after taxation		(1,363)	(62)

All amounts relate to continuing activities.

There are no other items of recognised gains or losses other than those shown in the income statement, and there was no other comprehensive income for the period.

The notes on pages 9 to 16 form part of these financial statements.

LT Management Services Limited

Statement of financial position at 28 June 2020

<i>Company number 02159755</i>	Note	18 month period ended 28 June 2020 £'000	18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000	Year ended 30 December 2018 £'000
Fixed assets	9		-		8
Current assets					
Stock	10	16		80	
Debtors	11	1,000		3,382	
Cash at bank and in hand		1,284		2,073	
		<u>2,300</u>		<u>5,535</u>	
Creditors: amounts falling due within one year	12	<u>(1,628)</u>		<u>(4,758)</u>	
Net current assets			672		777
Long term liabilities	13		<u>(1,250)</u>		<u>-</u>
Net (liabilities)/assets			<u>(578)</u>		<u>785</u>
Equity					
Called up share capital	14		-		-
Profit and loss account			<u>(578)</u>		<u>785</u>
Shareholders' funds			<u>(578)</u>		<u>785</u>

The financial statements were approved by the Board and authorised for issue on 30 March 2021.



W Buchanan
Director

The notes on pages 9 to 16 form part of these financial statements.

LT Management Services Limited

Statement of changes in equity for the 18 month period ended 28 June 2020

	Share capital £'000	Profit and loss account £'000	Total equity £'000
At 31 December 2018	-	785	785
Total comprehensive income	-	(1,363)	(1,363)
	<hr/>	<hr/>	<hr/>
At 28 June 2020	-	(578)	(578)
	<hr/>	<hr/>	<hr/>
	Share capital £'000	Profit and loss account £'000	Total equity £'000
At 2 January 2018	-	847	847
Total comprehensive income	-	(62)	(62)
	<hr/>	<hr/>	<hr/>
At 30 December 2018	-	785	785
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 16 form part of these financial statements.

LT Management Services Limited

Notes forming part of the financial statements for the 18 month period ended 28 June 2020

1 Accounting policies

LT Management Services Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the Strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

Turnover

Turnover relates to management fees and grossed up revenue for the direct management of premises for owners and excludes Value Added Tax and is calculated on the accruals basis.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rate:

Fixtures, fittings and equipment - 3 years

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Cash flow statement

The company has taken advantage of the exemption not to prepare a cash flow statement as it is included in the consolidated financial statements prepared by its ultimate parent company.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

LT Management Services Limited

Notes forming part of the financial statements
for the 18 month period ended 28 June 2020 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Critical accounting policies, estimates and judgements

The company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate are set out below.

- Determine whether agreement entered into by the company result in it acting as principal. These decisions depend on an assessment of whether the risks and rewards of operations have been transferred.
- Determine whether there are indicators of impairment of the company's stock.
- Determine whether there are specific debtor provisions required. Factors taken into consideration in reaching such a decision include the assessment of the legal and commercial recoverability of the individual debtor.

3 Financial Risk Management

The Directors are responsible for ensuring that the company's risks are appropriately monitored and, to the extent that elements of this are delegated to third party service providers, the Directors are responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements.

The Directors are responsible for the operational risk oversight of the company and the maintenance of the company's assets, ensuring the establishment of appropriate and consistent procedures for effective management of the company's resources.

The significant types of risk that the company is exposed to are detailed below.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due or can only do so at a significantly increased cost.

The company receives management fees on a monthly basis.

LT Management Services Limited

Notes forming part of the financial statements
for the 18 month period ended 28 June 2020 (*continued*)

3 Financial Risk Management (*continued*)

A detailed analysis of the maturity profile of the company's financial assets and financial liabilities is shown below.

	Less than 12 months £'000's	1 to 5 years £000's	Total £000's
Financial assets:			
Debtors	755	-	755
Cash and cash equivalents	1,284	-	1,284
	<u>2,039</u>	<u>-</u>	<u>2,039</u>
Financial liabilities:			
Creditors	(1,628)	(1,250)	(2,878)
	<u>411</u>	<u>(1,250)</u>	<u>(839)</u>

Financial assets (maturity)

The maturity groupings are based on the period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realised. Financial assets comprise cash, trade and other receivables

Financial liabilities (maturity)

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the company can be required to pay. Financial liabilities comprise trade and other payables. The 1 to 5 year balance reflects the Natwest CBILS loan. This is interest and repayment free for 12 months then repayable over 5 years.

Credit risk

The balance sheet at 28 June 2020 shows trade receivables and other receivables of £354,000 (2018 - £1,789,000). The majority of the debt is management fees to other pub companies that is paid after the balance sheet date at contractually agreed points.

Capital risk management

The capital of the company is regarded as the called-up share capital on ordinary shares and retained earnings. The company's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns to shareholders and to maintain a strong capital base to support the activities of the company.

The Directors regularly review expenses and cash flow forecasts in order to maintain a strong capital base.

LT Management Services Limited

Notes forming part of the financial statements
for the 18 month period ended 28 June 2020 (continued)

4 Turnover

	18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000
Turnover has arisen during the period as follows:		
United Kingdom	5,907	9,019
	<u>5,907</u>	<u>9,019</u>

5 Other Income

All other income relates to furlough income claimed through the Coronavirus Job Retention Scheme.

6 Employees

The directors received no remuneration in the current period or previous year.

	18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000
Other staff costs consist of:		
Wages and salaries	882	713
Social security costs	39	14
	<u>921</u>	<u>727</u>

The average number of employees during the period was:

	18 month period ended 28 June 2020 Number	Year ended 30 December 2018 Number
Pub operational staff	66	41
	<u>66</u>	<u>41</u>

7 Loss on ordinary activities

	18 month period ended 28 June 2020 £'000	Year ended 1 January 2018 £'000
This has been arrived at after charging:		
Staff costs	921	727
	<u>921</u>	<u>727</u>

The audit fee is borne by the parent undertaking in 2020 and 2018.

LT Management Services Limited

Notes forming part of the financial statements
for the 18 month period ended 28 June 2020 (*continued*)

8 Taxation on loss on ordinary activities

	18 month period ended 28 June 2020 £'000	Year ended 1 January 2018 £'000
<i>Current and deferred tax</i>		
Tax on loss for the period	-	-

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000
(Loss)/Profit on ordinary activities before tax	(1,363)	(62)
(Loss) Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(259)	(12)
Effects of:		
Carry forward/Utilisation of tax losses and other deductions	259	12
Current tax charge for period	-	-

LT Management Services Limited

Notes forming part of the financial statements
for the 18 month period ended 28 June 2020 (*continued*)

9 Tangible fixed assets

	Fixtures, fittings and equipment £'000
<i>Cost</i>	
At 31 December 2018	9
Additions	-
Disposals	(9)
	<hr/>
At 28 June 2020	-
	<hr/>
<i>Depreciation</i>	
At 31 December 2018	1
Disposals	(1)
	<hr/>
At 28 June 2020	-
	<hr/>
<i>Net book value</i>	
At 28 June 2020	-
	<hr/>
At 30 December 2018	8
	<hr/>

10 Stock

	18 month period ended 28 June 2020 £'000	Year ended 1 January 2018 £'000
Goods held for resale	16	80
	<hr/>	<hr/>

LT Management Services Limited

Notes forming part of the financial statements
for the 18 month period ended 28 June 2020 (continued)

11 Debtors

	18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000
Trade debtors	315	1,437
Other debtors	38	164
Prepayments and accrued income	459	808
Amounts owed by group companies	-	785
Deferred tax asset	188	188
	<u>1,000</u>	<u>3,382</u>

Amounts due from group undertakings is interest free.

12 Creditors: amounts falling due within one year

	18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000
Trade creditors	1,013	4,037
Other creditors	235	320
Accruals and deferred income	43	112
Amounts due to group companies	337	289
	<u>1,628</u>	<u>4,758</u>

Amounts due to group undertakings is interest free.

13 Creditors: amounts falling due after more than one year

	18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000
Bank loans	<u>1,250</u>	<u>-</u>

Bank loans are repayable as follows:

	18 month period ended 28 June 2020 £'000	Year ended 30 December 2018 £'000
Within one year	-	-
Between one to two years	250	-
Between two to five years	1,000	-
	<u>1,250</u>	<u>-</u>

LT Management Services Limited

Notes forming part of the financial statements
for the 18 month period ended 28 June 2020 (*continued*)

13 Creditors: amounts falling due after more than one year (*continued*)

The bank loan is secured against the assets of the company and the group. The loan is with NatWest bank and is repayment and interest free for the initial 12 months and then repayable over 5 years thereafter. The rate of interest is 3.49%

14 Share capital

	Period ended 28 June 2020	Year ended 1 January 2018
	£	£
<i>Authorised</i>		
19,928 ordinary shares of £1 each	19,928	19,928
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	1	1
	<hr/>	<hr/>

15 Ultimate parent undertaking

The company is controlled by LT Pub Management plc, which owns 100% of the share capital of the company.

Copies of the consolidated financial statements of LT Pub Management Plc are available from Companies House.

16 Related party transactions

The company has taken advantage of the exemption allowed not to disclose any transactions with wholly owned subsidiaries that are included in the consolidated financial statements of LT Pub Management Plc.

The ultimate controlling party is Lord Ashcroft KCMG PG.

The Group earned fees of £414,495 for the 18 month period (2018: £242,550) for companies which had common directors or control. There was £24,595 outstanding at 28 June 2020 (2018: £NIL)