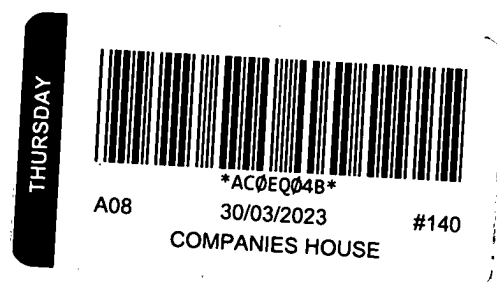


Registered number: OC350376

**LONDON LUTON HOTEL BPRA
PROPERTY FUND LLP**

FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2022



**LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

BALANCE SHEET

AS AT 5 APRIL 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Tangible assets	5	13,100,000	13,731,776
Investments	6	1	1
		<u>13,100,001</u>	<u>13,731,777</u>
Current assets			
Debtors: amounts falling due within one year	7	1,319,583	1,213,415
Cash at bank and in hand	8	90,632	282,188
		<u>1,410,215</u>	<u>1,495,603</u>
Creditors: amounts falling due within one year	9	(2,789,640)	(3,009,620)
Net current liabilities		<u>(1,379,425)</u>	<u>(1,514,017)</u>
Total assets less current liabilities		<u>11,720,576</u>	<u>12,217,760</u>
Creditors: amounts falling due after more than one year	10	(4,494,076)	(4,754,604)
		<u>7,226,500</u>	<u>7,463,156</u>
Provisions for liabilities			
Other provisions	11	(26,500)	(263,156)
		<u>(26,500)</u>	<u>(263,156)</u>
Net assets		<u><u>7,200,000</u></u>	<u><u>7,200,000</u></u>

**BALANCE SHEET
(CONTINUED)
AS AT 5 APRIL 2022**

		2022 £	As restated 2021 £
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	12	7,200,000	7,200,000
		<u>7,200,000</u>	<u>7,200,000</u>
Total members' interests			
Amounts due from members (included in debtors)	7	(783,761)	(673,054)
Loans and other debts due to members		7,200,000	7,200,000
		<u>6,416,239</u>	<u>6,526,946</u>

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

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

The entity has opted not to file the statement of comprehensive income in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:

Mike Lewis

Downing Members Limited
Designated member

Date: 28 March 2023

The notes on pages 3 to 11 form part of these financial statements.

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

1. General information

London Luton Hotel BPRA Property Fund LLP is a Limited Liability Partnership incorporated in England and Wales. Its registered office and principle place of business is 6th Floor St Magnus House, 3 Lower Thames Street, London, EC3R 6HD. The financial statements are presented in Sterling which is the functional currency of the LLP and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The LLP, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

Management monitor the LLP's working capital requirements and the members consider it is appropriate to prepare the financial statements on a going concern basis. This assumes that the LLP will continue in operational existence for the foreseeable future and for at least 12 months after the signing of the financial statements.

The performance of the LLP's subsidiary, London Luton Hotel (2010) Limited, was severely impacted by COVID-19 and the nationwide lockdowns in previous periods but began to recover in the current year. This affected the hotel's ability to pay outstanding rent due to the LLP, which in turn reduced the LLP's available cash. The LLP began to receive rental payments from its subsidiary during the second half of the financial year and expects these to increase further for the 5 April 2023 financial year as the hotel continues to recover. The LLP's ability to continue in operational existence for the foreseeable future is also reliant on the continued support of its lenders.

For this reason the directors believe that the LLP continues to be a going concern and that it is appropriate to prepare the accounts on a going concern basis.

If the LLP is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that may arise and reclassify fixed assets as current assets.

2.4 Turnover

Turnover recognised in the LLP represents rentals receivable during the year, exclusive of Value Added Tax.

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the LLP but are presented separately due to their size or incidence.

2.8 Division and distribution of profits

A division of profits is the mechanism by which the profits of an LLP become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the LLP does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the LLP, which it has the unconditional right to avoid making.

The LLP divides profits automatically. Automatic divisions of profits are recognised as 'Members' remuneration charged as an expense' in.

In the event of the LLP making losses, the loss is recognised as a credit amount of 'Members' remuneration charged as an expense' where it is automatically divided or as a debit within equity under 'Other reserves' if not divided automatically.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment property rented to other group entities and accounted for under the cost model is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property - 2% straight line with a residual value of 80%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the balance sheet date.

2.17 Members' remuneration

A member's share in the profit and loss for the period is accounted for as an allocation of profits or losses. Unallocated profits and losses are included within Other Reserves.

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

2. Accounting policies (continued)

2.18 Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with Section 11 of FRS 102. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Statement of Comprehensive Income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Statement of Comprehensive Income and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Statement of Comprehensive Income within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

3. Employees

The entity has no employees in the current and prior year.

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

4. Exceptional items

	2022 £	2021 £
Waiver of amounts due from group undertakings	621,753	414,502
Impairment of investment property	570,950	-
Release of unused provision	(225,295)	-
	<u>967,408</u>	<u>414,502</u>

During the year the LLP waived an amount of £621,753 (2021 - £414,502) in respect of unpaid rental income accrued to date.

In addition, an impairment of £570,948 (2021 - £nil) was made against the value of the LLP's investment property.

Furthermore, provisions brought forward totalling £225,295 in relation to ongoing safety works were reversed in the year.

5. Tangible fixed assets

	Long-term leasehold property £
Cost or valuation	
At 6 April 2021	13,975,078
At 5 April 2022	<u>13,975,078</u>
Depreciation	
At 6 April 2021	243,302
Charge for the year on owned assets	60,826
Impairment charge	570,950
At 5 April 2022	<u>875,078</u>
Net book value	
At 5 April 2022	<u>13,100,000</u>
At 5 April 2021	<u>13,731,776</u>

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 6 April 2021	1
At 5 April 2022	1

7. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	166,753	414,502
Other debtors	175,000	84,462
Prepayments and accrued income	194,069	41,397
Amounts due from members	783,761	673,054
	<u>1,319,583</u>	<u>1,213,415</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	90,632	282,188

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

9. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	260,528	195,396
Other loans	2,481,478	2,438,094
Trade creditors	13,634	84,380
Other taxation and social security	8,131	-
Other creditors	-	271,002
Accruals and deferred income	25,869	20,748
	<u>2,789,640</u>	<u>3,009,620</u>

The other loan is secured by a legal charge over the LLP's property. The loan is considered to be repayable on demand, £685,000 of the loan is interest free with the remaining loan attracting interest at a rate of 2.35%.

10. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	<u>4,494,076</u>	<u>4,754,604</u>

Bank loans are secured by a fixed and floating charge over the LLP's property and other assets. The loan is repayable in instalments with the final balance repayable in 2025, the loan attracts interest at a rate of 2.25% over base rate.

11. Provisions

	Other provisions
	£
At 6 April 2021	263,156
Released in year	(236,656)
At 5 April 2022	<u><u>26,500</u></u>

LONDON LUTON HOTEL BPRA PROPERTY FUND LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

12. Loans and other debts due to members

	2022 £	2021 £
Members' capital treated as debt	7,200,000	7,200,000
	<u>7,200,000</u>	<u>7,200,000</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

13. Prior year adjustment

An adjustment has been processed to the prior year Balance Sheet and Reconciliation of Members' Interests to reclassify members' capital previously recognised as equity as debt. This adjustment has been posted to reflect the interpretation of the members' agreement that the LLP is obliged to discharge its liability to any outgoing members and has no legal right to withhold repayment of a member's capital in such an event. Following this adjustment, the amount due from the members as at 5 April 2021 of £673,054 has been reclassified to be included within debtors rather than within members' interests. This has increased the net assets of the LLP as at 5 April 2021 by £673,054.

14. Related party transactions

During the year, the LLP incurred expenses of £162,672 (2021: £nil) on behalf of other related parties. As these balances were invoiced after the year end, they have been included in accrued income at the balance sheet date.

15. Auditors' information

These financial statements have been prepared for the purpose of filing with Companies House and no Statement of Comprehensive Income and Members' Report is included within this set of financial statements. The full financial statements have been subject to audit and there were no qualifications or modifications to the audit report within the full financial statements. The audit was undertaken by Lubbock Fine LLP Chartered Accountants & Statutory Auditors and the Senior Statutory Auditor was Stephen Banks.