

Group Strategic Report,
Report of the Director and
Consolidated Financial Statements
for the Year Ended 31 December 2015
for
PRINCE HOTELS LIMITED



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PRINCE HOTELS LIMITED

Contents of the Consolidated Financial Statements
for the year ended 31 December 2015

	Page
Company Information	1
Group Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Company Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Company Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements	11
Reconciliation of Equity	24
Reconciliation of Profit	26

PRINCE HOTELS LIMITED

Company Information
for the year ended 31 December 2015

Director:	P Nasser
Secretary:	M Stoneman
Registered office:	Birmingham Road Allesley Coventry West Midlands CV5 9BA
Registered number:	02995507 (England and Wales)
Auditors:	Haines Watts Birmingham LLP Sterling House 71 Francis Road Edgbaston Birmingham B16 8SP
Bankers:	Lloyds Bank Plc 125 Colmore Row Birmingham B3 2SF

PRINCE HOTELS LIMITED

Group Strategic Report
for the year ended 31 December 2015

The director presents his strategic report of the company and the group for the year ended 31 December 2015.

Review of business

The group continues with its refurbishment programme in all of its properties in order to improve facilities and enhance guest experience. The group continues to take overall responsibility for all the regulatory compliance together with day to day operations of the business.

Turnover remained relatively steady from the previous year with a minimal decrease of 0.08% due to difficult trading conditions. Both average room rates and occupancy levels were up on 2014. The prospects for 2016 are very positive with improved confidence in the economy, and trading for the new year is going well. The group reported an operating profit of £1,159,719 for the year to 31 December 2015 (2014: £951,846). Operating profit before depreciation and amortisation was £1,766,576 (2014: £1,429,171), representing a significant improvement profitability during the year.

Principal risks and uncertainties

The risks facing the company and its subsidiary undertaking are assessed on an ongoing basis. The director evaluates the likelihood and potential impact of each of the risks and ensure appropriate action is taken to mitigate it.

A number of key risks such as credit management, liquidity, foreign currency risk, health and safety and regulatory compliance come under the direct control of the director.

On behalf of the board:



.....
P Nasser - Director

Date:

13.6.16

PRINCE HOTELS LIMITED

Report of the Director
for the year ended 31 December 2015

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2015.

Principal activity

The principal activity of the company during the year was that of hoteliers.

Dividends

The total distribution of dividends for the year ended 31 December 2015 was £130,000.

Director

P Nasser held office during the whole of the period from 1 January 2015 to the date of this report.

Statement of director's responsibilities

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

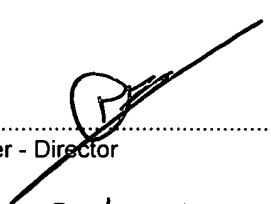
Statement as to disclosure of information to auditors

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

Haines Watts Birmingham LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board:


.....
P Nasser - Director

Date: 13-6-16

Report of the Independent Auditors to the Members of
Prince Hotels Limited

We have audited the financial statements of Prince Hotels Limited for the year ended 31 December 2015 on pages five to twenty six. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's 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 Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Darren Holdway (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Date: 14-6-2016

PRINCE HOTELS LIMITED

**Consolidated Statement of Comprehensive Income
for the year ended 31 December 2015**

	Notes	2015 £	2014 £
Turnover	4	7,572,011	7,578,233
Cost of sales		<u>(3,899,582)</u>	<u>(3,926,271)</u>
Gross profit		3,672,429	3,651,962
Administrative expenses		<u>(2,590,457)</u>	<u>(2,799,278)</u>
		1,081,972	852,684
Other operating income	5	<u>77,747</u>	<u>99,162</u>
Operating profit	8	1,159,719	951,846
Income from fixed asset investments		559	621
Interest receivable and similar income		<u>28,568</u>	<u>17,896</u>
		1,188,846	970,363
Interest payable and similar expenses	9	<u>(173,046)</u>	<u>(260,462)</u>
Profit before taxation		1,015,800	709,901
Tax on profit	10	<u>(257,872)</u>	<u>(215,602)</u>
Profit for the financial year		757,928	494,299
Other comprehensive income			
Transfer from revaluation reserve		(24,344)	(24,841)
Transfer to profit and loss reserve		24,344	24,841
Foreign exchange loss on retranslation of subsidiary's net assets		(659,491)	(424,038)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the year, net of income tax		<u>(659,491)</u>	<u>(424,038)</u>
Total comprehensive income for the year		<u>98,437</u>	<u>70,261</u>
Profit attributable to:			
Owners of the parent		659,899	389,036
Non-controlling interests		<u>98,029</u>	<u>104,642</u>
		<u>757,928</u>	<u>493,678</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>98,437</u>	<u>70,261</u>

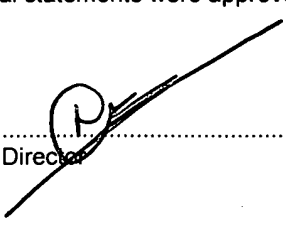
The notes form part of these financial statements

PRINCE HOTELS LIMITED (REGISTERED NUMBER: 02995507)

Consolidated Statement of Financial Position
31 December 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	13		133,117		158,167
Tangible assets	14		10,116,756		12,708,421
Investments	15		5,674		6,026
Investment property	16		350,000		350,000
			10,605,547		13,222,614
Current assets					
Stocks	17	68,979		67,579	
Debtors: amounts falling due within one year	18	1,090,722		762,685	
Debtors: amounts falling due after more than one year	18	229,313		204,017	
Cash at bank and in hand		220,079		53,036	
		1,609,093		1,087,317	
Creditors					
Amounts falling due within one year	19	1,627,958		1,547,138	
Net current liabilities			(18,865)		(459,821)
Total assets less current liabilities			10,586,682		12,762,793
Creditors					
Amounts falling due after more than one year	20		(2,649,349)		(4,838,547)
Provisions for liabilities	24		(44,650)		-
Net assets			7,892,683		7,924,246
Capital and reserves					
Called up share capital	25		100		100
Revaluation reserve	26		1,192,856		1,217,200
Foreign currency translation reserve	26		490,443		1,149,934
Retained earnings	26		5,841,742		5,287,499
Shareholders' funds			7,525,141		7,654,733
Non-controlling interests			367,542		269,513
Total equity			7,892,683		7,924,246

The financial statements were approved by the director on 13.6.16 and were signed by:


P Nasser - Director

The notes form part of these financial statements

PRINCE HOTELS LIMITED (REGISTERED NUMBER: 02995507)

Company Statement of Financial Position
31 December 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	13		133,117		158,167
Tangible assets	14		5,557,219		5,610,484
Investments	15		12,836		12,836
Investment property	16		350,000		350,000
			<u>6,053,172</u>		<u>6,131,487</u>
Current assets					
Stocks	17	34,625		30,587	
Debtors: amounts falling due within one year	18	135,021		122,920	
Debtors: amounts falling due after more than one year	18	5,330,621		7,198,811	
Cash at bank and in hand		<u>150,937</u>		<u>23,178</u>	
		5,651,204		7,375,496	
Creditors					
Amounts falling due within one year	19	<u>1,154,444</u>		<u>1,079,978</u>	
Net current assets			<u>4,496,760</u>		<u>6,295,518</u>
Total assets less current liabilities			10,549,932		12,427,005
Creditors					
Amounts falling due after more than one year	20		(1,988,801)		(3,940,950)
Provisions for liabilities	24		<u>(44,650)</u>		<u>-</u>
Net assets			<u>8,516,481</u>		<u>8,486,055</u>
Capital and reserves					
Called up share capital	25		100		100
Revaluation reserve	26		1,192,856		1,217,200
Retained earnings	26		<u>7,323,525</u>		<u>7,268,755</u>
Shareholders' funds			<u>8,516,481</u>		<u>8,486,055</u>
Company's profit/(loss) for the financial year			<u>160,426</u>		<u>(206,195)</u>

The financial statements were approved by the director on 13.6.16 and were signed by:

.....
P Nasser - Director

The notes form part of these financial statements

PRINCE HOTELS LIMITED

Consolidated Statement of Changes in Equity
for the year ended 31 December 2015

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2014	100	4,953,001	1,242,041
Changes in equity			
Dividends	-	(80,000)	-
Total comprehensive income	-	414,498	(24,841)
Balance at 31 December 2014	<u>100</u>	<u>5,287,499</u>	<u>1,217,200</u>
Changes in equity			
Dividends	-	(130,000)	-
Total comprehensive income	-	684,243	(24,344)
Balance at 31 December 2015	<u>100</u>	<u>5,841,742</u>	<u>1,192,856</u>

	Foreign currency translation reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2014	1,573,972	7,769,114	269,513	8,038,627
Changes in equity				
Dividends	-	(80,000)	-	(80,000)
Total comprehensive income	(424,038)	(34,381)	-	(34,381)
Balance at 31 December 2014	<u>1,149,934</u>	<u>7,654,733</u>	<u>269,513</u>	<u>7,924,246</u>
Changes in equity				
Dividends	-	(130,000)	-	(130,000)
Total comprehensive income	(659,491)	408	-	408
Balance at 31 December 2015	<u>490,443</u>	<u>7,525,141</u>	<u>269,513</u>	<u>7,794,654</u>

The notes form part of these financial statements

PRINCE HOTELS LIMITED

Company Statement of Changes in Equity
for the year ended 31 December 2015

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2014	100	7,530,109	1,242,041	8,772,250
Changes in equity				
Dividends	-	(80,000)	-	(80,000)
Total comprehensive income	-	(181,354)	(24,841)	(206,195)
Balance at 31 December 2014	<u>100</u>	<u>7,268,755</u>	<u>1,217,200</u>	<u>8,486,055</u>
Changes in equity				
Dividends	-	(130,000)	-	(130,000)
Total comprehensive income	-	184,770	(24,344)	160,426
Balance at 31 December 2015	<u><u>100</u></u>	<u><u>7,323,525</u></u>	<u><u>1,192,856</u></u>	<u><u>8,516,481</u></u>

The notes form part of these financial statements

PRINCE HOTELS LIMITED

**Consolidated Statement of Cash Flows
for the year ended 31 December 2015**

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	28	659,770	891,346
Interest paid		(151,383)	(223,294)
Finance costs paid		(21,663)	(37,168)
Tax paid		(64,441)	(5,622)
Net cash from operating activities		422,283	625,262
Cash flows from investing activities			
Purchase of tangible fixed assets		(279,556)	(170,549)
Sale of tangible fixed assets		2,176,405	-
Interest received		28,568	17,896
Dividends received		559	621
Net cash from investing activities		1,925,976	(152,032)
Cash flows from financing activities			
Loan repayments in year		(1,944,954)	(562,897)
Equity dividends paid		(130,000)	(80,000)
Net cash from financing activities		(2,074,954)	(642,897)
Increase/(decrease) in cash and cash equivalents		273,305	(169,667)
Cash and cash equivalents at beginning of year	29	(53,226)	116,441
Cash and cash equivalents at end of year	29	220,079	(53,226)

The notes form part of these financial statements

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 December 2015

1. **Statutory information**

Prince Hotels Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **Accounting policies**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated. The company adopted FRS 102 in the current period and reconciliations of how the transition to FRS 102 has affected the reported financial position and performance is shown on pages 24 to 26.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and any goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group consolidated financial statements by virtue of section 408 of the Companies Act 2006.

The financial statements of foreign operations have been translated into the parent company's presentation currency as per FRS 102: Foreign Currency Retranslation. Under this method, assets and liabilities are translated at the closing rate at the end of the reporting period while income and expenses are translated at the exchange rates at the date of transactions. For this purpose, the average rate of exchange for the accounting period has been used. Exchange differences resulting from the translation of financial statements of foreign operations functional currency to presentation currency are recognised in other comprehensive income.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Income from room lettings is recognised by reference to the room reservation date. Deposits or payments in full for advance bookings are treated as deferred income.

Goodwill

Goodwill, which represents the excess of cost of acquisitions of businesses over the value attributed to the net assets, is amortised through the profit and loss account by equal annual installments over its useful economic life. Goodwill previously eliminated against reserves has not been reinstated and will be charged to the profit and loss account on the subsequent disposal of any business to which it related.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	20 years
Software licences	-	3 years straight line

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2015

3. Accounting policies - continued

Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% - 20% straight line
Leasehold property	-	2% straight line
Fixtures & fittings	-	10% straight line
Office equipment	-	25% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Investment property

All investment properties are recorded at their open market value.

This is in accordance with FRS 102 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate for the period. Realised exchange differences are taken into account in arriving at the operating profit. Unrealised exchange differences are shown separately in the profit and loss account below operating profit.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

4. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2015	2014
	£	£
United Kingdom	4,156,543	3,894,135
Europe	<u>3,415,468</u>	<u>3,684,098</u>
	<u>7,572,011</u>	<u>7,578,233</u>

5. Other operating income

	2015	2014
	£	£
Rents received	36,506	47,675
Other operating income	<u>41,241</u>	<u>51,487</u>
	<u>77,747</u>	<u>99,162</u>

6. Employees and directors

	2015	2014
	£	£
Wages and salaries	2,319,454	2,343,470
Social security costs	262,873	303,834
Other pension costs	<u>4,807</u>	<u>1,961</u>
	<u>2,587,134</u>	<u>2,649,265</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Production staff	175	162
Administrative staff	9	11
Management staff	<u>12</u>	<u>12</u>
	<u>196</u>	<u>185</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 70.

7. Directors' emoluments

	2015	2014
	£	£
Director's remuneration	<u>24,768</u>	<u>21,513</u>

8. Operating profit

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Hire of plant and machinery	23,335	28,797
Depreciation - owned assets	581,806	452,275
Profit on disposal of fixed assets	(334,994)	-
Goodwill amortisation	25,050	25,050
Auditors' remuneration		
Audit of the financial statements	11,500	9,500
Other fees	19,981	14,682
Foreign exchange differences	<u>(233,088)</u>	<u>(265,462)</u>

PRINCE HOTELS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015**

9. Interest payable and similar expenses

	2015	2014
	£	£
Interest payable on bank borrowings	151,383	223,294
Other similar charges payable	21,663	37,168
	<u>173,046</u>	<u>260,462</u>

10. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	122,379	64,441
Foreign tax	24,089	-
(Over)/under provision in prior year	11	43,661
Total current tax	146,479	108,102
Deferred tax	111,393	107,500
Tax on profit	<u>257,872</u>	<u>215,602</u>

UK corporation tax has been charged at 20%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£	£
Profit before tax	<u>1,015,800</u>	<u>709,901</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 21.500%)	203,160	152,629
Effects of:		
Expenses not deductible for tax purposes	3,105	7,951
Depreciation in excess of capital allowances	14,203	32,260
Utilisation of tax losses	(56,946)	(70,530)
Adjustments to tax charge in respect of previous periods	11	43,661
Unrealised foreign exchange loss/(gain) not taxable	(42,513)	(57,075)
Marginal relief	-	(794)
Change in tax rate during the year	1,370	-
Deferred tax	111,393	107,500
Foreign tax	24,089	-
Total tax charge	<u>257,872</u>	<u>215,602</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

10. Taxation - continued

Tax effects relating to effects of other comprehensive income

	Gross	Tax	2015
	£	£	Net
			£
Transfer from revaluation reserve	(24,344)	-	(24,344)
Transfer to profit and loss reserve	24,344	-	24,344
Retranslation of subs net assets	<u>(659,491)</u>	<u>-</u>	<u>(659,491)</u>
	<u>(659,491)</u>	<u>-</u>	<u>(659,491)</u>

	Gross	Tax	2014
	£	£	Net
			£
Transfer from revaluation reserve	(24,841)	-	(24,841)
Transfer to profit and loss reserve	24,841	-	24,841
Retranslation of subs net assets	<u>(424,038)</u>	<u>-</u>	<u>(424,038)</u>
	<u>(424,038)</u>	<u>-</u>	<u>(424,038)</u>

11. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

The profit for the financial year in the financial statements of the parent company was £158,486 (2014: £206,195 loss).

12. Dividends

	2015	2014
	£	£
Ordinary shares of £1 each		
Interim	<u>130,000</u>	<u>80,000</u>

13. Intangible fixed assets

Group

	Goodwill
	£
Cost	
At 1 January 2015	
and 31 December 2015	<u>501,000</u>
Amortisation	
At 1 January 2015	342,833
Amortisation for year	<u>25,050</u>
At 31 December 2015	<u>367,883</u>
Net book value	
At 31 December 2015	<u>133,117</u>
At 31 December 2014	<u>158,167</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

13. Intangible fixed assets - continued

Company	Goodwill £
Cost	
At 1 January 2015	
and 31 December 2015	<u>501,000</u>
Amortisation	
At 1 January 2015	342,833
Amortisation for year	<u>25,050</u>
At 31 December 2015	<u>367,883</u>
Net book value	
At 31 December 2015	<u>133,117</u>
At 31 December 2014	<u>158,167</u>

14. Tangible fixed assets

Group	Freehold property £	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
Cost					
At 1 January 2015	13,484,285	593,144	4,525,773	31,362	18,634,564
Additions	16,796	49,255	207,504	6,001	279,556
Disposals	(2,038,756)	-	(504,300)	(8,406)	(2,551,462)
Exchange differences	(469,226)	-	(60,867)	(2,207)	(532,300)
At 31 December 2015	<u>10,993,099</u>	<u>642,399</u>	<u>4,168,110</u>	<u>26,750</u>	<u>15,830,358</u>
Depreciation					
At 1 January 2015	1,809,452	113,413	3,983,062	20,216	5,926,143
Charge for year	349,917	12,099	216,666	3,124	581,806
Eliminated on disposal	(252,915)	-	(448,730)	(8,406)	(710,051)
Exchange differences	(36,964)	-	(46,068)	(1,264)	(84,296)
At 31 December 2015	<u>1,869,490</u>	<u>125,512</u>	<u>3,704,930</u>	<u>13,670</u>	<u>5,713,602</u>
Net book value					
At 31 December 2015	<u>9,123,609</u>	<u>516,887</u>	<u>463,180</u>	<u>13,080</u>	<u>10,116,756</u>
At 31 December 2014	<u>11,674,833</u>	<u>479,731</u>	<u>542,711</u>	<u>11,146</u>	<u>12,708,421</u>

The last professional valuation of the company's UK freehold and leasehold properties was carried out in 2005 and adopted in the company's financial statements as at 30 November 2005. Subsequent valuations have been a director's valuation. The director reviews the carrying value of the properties annually for impairment and is satisfied that there should be no impairment provision as at 31 December 2015.

Included in the net book value of £10,116,756 (2014: £12,708,421), includes non-depreciable assets of £2,759,910 (2014: £3,484,127).

The freehold property disposal of £2,038,756 shown above is in relation to the sale of the Bensheim Hotel in Germany during the year.

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

14. Tangible fixed assets - continued

Group

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

Group and Company

	2015	2014
	£	£
Historical cost	<u>6,040,319</u>	<u>6,040,319</u>
Depreciation:		
At 1 January 2015	1,538,958	1,419,358
Charge for the year	<u>119,600</u>	<u>119,600</u>
At 31 December 2015	<u>1,658,558</u>	<u>1,538,958</u>
Net historical cost value		
At 31 December 2015	<u>4,381,761</u>	<u>4,501,361</u>
At 31 December 2014	<u>4,501,361</u>	<u>4,620,961</u>

Company

	Freehold property £	Long leasehold £	Fixtures and fittings £	Totals £
Cost				
At 1 January 2015	6,003,319	593,144	3,606,531	10,202,994
Additions	<u>16,797</u>	<u>49,255</u>	<u>156,876</u>	<u>222,928</u>
At 31 December 2015	<u>6,020,116</u>	<u>642,399</u>	<u>3,763,407</u>	<u>10,425,922</u>
Depreciation				
At 1 January 2015	1,181,903	113,413	3,297,194	4,592,510
Charge for year	<u>116,262</u>	<u>12,099</u>	<u>147,832</u>	<u>276,193</u>
At 31 December 2015	<u>1,298,165</u>	<u>125,512</u>	<u>3,445,026</u>	<u>4,868,703</u>
Net book value				
At 31 December 2015	<u>4,721,951</u>	<u>516,887</u>	<u>318,381</u>	<u>5,557,219</u>
At 31 December 2014	<u>4,821,416</u>	<u>479,731</u>	<u>309,337</u>	<u>5,610,484</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

15. Fixed asset investments

Group

**Unlisted
investments
£**

Cost

At 1 January 2015

6,026

Exchange differences

(352)

At 31 December 2015

5,674

Net book value

At 31 December 2015

5,674

At 31 December 2014

6,026

Company

**Shares in
group
undertakings
£**

Cost

At 1 January 2015

and 31 December 2015

12,836

Net book value

At 31 December 2015

12,836

At 31 December 2014

12,836

	2015 EUR €	2014 EUR €
Aggregate capital and reserves		
Prince Hotels (Frankfurt) GmbH (trading - hotelier)	(431,626)	(701,887)
Prince Hotels (Europe) GmbH (dormant)	-	-
Profit and (loss) for the year		
Prince Hotels (Frankfurt) GmbH (trading - hotelier)	270,261	286,770
Prince Hotels (Europe) GmbH (dormant)	-	-

The company owns 76% of the issued share capital of the companies listed above; the remaining 24% is held by Prince Nasser. Both companies are incorporated and registered in Germany.

16. Investment property

Group

**Total
£**

Fair value

At 1 January 2015

and 31 December 2015

350,000

Net book value

At 31 December 2015

350,000

At 31 December 2014

350,000

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

16. Investment property - continued

Company

	Total £
Fair value	
At 1 January 2015	
and 31 December 2015	<u>350,000</u>
Net book value	
At 31 December 2015	<u>350,000</u>
At 31 December 2014	<u>350,000</u>

17. Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Stocks	<u>68,979</u>	<u>67,579</u>	<u>34,625</u>	<u>30,587</u>

18. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	283,425	304,751	72,312	78,531
Other debtors	736,890	331,357	-	-
Deferred tax asset	-	72,004	-	-
Prepayments and accrued income	<u>70,407</u>	<u>54,573</u>	<u>62,709</u>	<u>44,389</u>
	<u>1,090,722</u>	<u>762,685</u>	<u>135,021</u>	<u>122,920</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	5,101,308	6,994,794
Amounts owed by associates	<u>229,313</u>	<u>204,017</u>	<u>229,313</u>	<u>204,017</u>
	<u>229,313</u>	<u>204,017</u>	<u>5,330,621</u>	<u>7,198,811</u>
Aggregate amounts	<u>1,320,035</u>	<u>966,702</u>	<u>5,465,642</u>	<u>7,321,731</u>

Deferred tax asset

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Tax losses carried forward	<u>-</u>	<u>72,004</u>	<u>-</u>	<u>-</u>

PRINCE HOTELS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015**

19. Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (see note 21)	470,124	595,008	285,509	409,404
Trade creditors	351,260	353,961	191,355	192,637
Corporation tax	146,698	64,441	122,379	64,441
Social security and other taxes	23,290	26,248	15,643	16,788
VAT	201,657	96,863	197,115	87,141
Other creditors	20,055	57,038	18,292	17,588
Directors' loan accounts	234,659	220,860	234,659	220,860
Accruals and deferred income	180,215	132,719	89,492	71,119
	<u>1,627,958</u>	<u>1,547,138</u>	<u>1,154,444</u>	<u>1,079,978</u>

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans (see note 21)	<u>2,649,349</u>	<u>4,838,547</u>	<u>1,988,801</u>	<u>3,940,950</u>

21. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	106,262	-	106,262
Bank loans	470,124	488,746	285,509	303,142
	<u>470,124</u>	<u>595,008</u>	<u>285,509</u>	<u>409,404</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>470,124</u>	<u>488,746</u>	<u>285,509</u>	<u>1,200,740</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>1,161,779</u>	<u>1,394,727</u>	<u>856,526</u>	<u>909,425</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>1,017,446</u>	<u>2,955,074</u>	<u>846,766</u>	<u>1,830,785</u>

22. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

Company			
		2015	2014
		£	£
Within one year		12,135	12,590
Between one and five years		<u>3,855</u>	<u>15,990</u>
		<u>15,990</u>	<u>28,580</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

23. Secured debts

The following secured debts are included within creditors:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank overdraft	-	106,262	-	106,262
Bank loans	<u>3,119,473</u>	<u>5,327,293</u>	<u>2,274,310</u>	<u>4,244,092</u>
	<u>3,119,473</u>	<u>5,433,555</u>	<u>2,274,310</u>	<u>4,350,354</u>

The bank loans and overdrafts are secured by a fixed and floating charge over all of the group's properties.

24. Provisions for liabilities

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>44,650</u>	<u>-</u>	<u>44,650</u>	<u>-</u>

Group

	Deferred tax
	£
Balance at 1 January 2015	(72,004)
Provided during year	44,650
Utilised during the year	<u>72,004</u>
Balance at 31 December 2015	<u>44,650</u>

Company

	Deferred tax
	£
Provided during the year	<u>44,650</u>
Balance at 31 December 2015	<u>44,650</u>

25. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
		£1	£	£
100	Ordinary		<u>100</u>	<u>100</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

26. Reserves

Group

	Retained earnings £	Revaluation reserve £	Foreign currency translation reserve £	Totals £
At 1 January 2015	5,287,499	1,217,200	1,149,934	7,654,633
Profit for the year	659,899			659,899
Dividends	(130,000)			(130,000)
Exchange differences on retranslation of net assets of subsidiary undertakings	-	-	(659,491)	(659,491)
Transfer to/from revaluation reserve	24,344	(24,344)	-	-
At 31 December 2015	<u>5,841,742</u>	<u>1,192,856</u>	<u>490,443</u>	<u>7,525,041</u>

Company

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2015	7,268,755	1,217,200	8,485,955
Profit for the year	160,426		160,426
Dividends	(130,000)		(130,000)
Transfer to/from revaluation reserve	24,344	(24,344)	-
At 31 December 2015	<u>7,323,525</u>	<u>1,192,856</u>	<u>8,516,381</u>

27. Related party disclosures

The company was under the control of Prince Nasser throughout the current and previous year. Prince Nasser is the sole shareholder. During the year the company entered into the following transactions with related parties:

Prince Nasser

Dividends were paid to Prince Nasser totalling £130,000 (2014: £80,000).

3P Investments GmbH (a company under the common control of Prince Nasser)

In October 2008 the company made a loan to 3P Investments GmbH of 640,000 Euros. Interest of 9.5% per annum is charged on the capital amount outstanding. At the year end the amount outstanding was £229,313 (2014 - £204,017) and this amount is included in other debtors - amounts owed to related companies. The loan is translated at the year-end rate.

Key management personnel compensation in the year totalled £98,768 (2014: £95,513).

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2015

28. Reconciliation of profit before taxation to cash generated from operations

	2015	2014
	£	£
Profit before taxation	1,015,800	709,901
Depreciation charges	606,857	477,324
Profit on disposal of fixed assets	(334,994)	-
(Gain)/loss on foreign exchange on debt	(468,522)	(249,775)
Finance costs	173,046	260,462
Finance income	(29,127)	(18,517)
	963,060	1,179,395
Increase in stocks	(1,400)	(5,924)
(Increase)/decrease in trade and other debtors	(425,337)	131,966
Increase/(decrease) in trade and other creditors	123,447	(414,091)
Cash generated from operations	<u>659,770</u>	<u>891,346</u>

29. Cash and cash equivalents

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2015

	31/12/15	1/1/15
	£	£
Cash and cash equivalents	220,079	53,036
Bank overdrafts	-	(106,262)
	<u>220,079</u>	<u>(53,226)</u>

Year ended 31 December 2014

	31/12/14	1/1/14
	£	£
Cash and cash equivalents	53,036	227,176
Bank overdrafts	(106,262)	(110,735)
	<u>(53,226)</u>	<u>116,441</u>

PRINCE HOTELS LIMITED

**Reconciliation of Equity
1 January 2014
(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Intangible assets		183,217	-	183,217
Tangible assets		13,468,142	-	13,468,142
Investments		6,429	-	6,429
Investment property		350,000	-	350,000
		<u>14,007,788</u>	<u>-</u>	<u>14,007,788</u>
Current assets				
Stocks		61,655	-	61,655
Debtors		1,197,371	-	1,197,371
Prepayments and accrued income		46,836	-	46,836
Cash at bank and in hand		227,176	-	227,176
		<u>1,533,038</u>	<u>-</u>	<u>1,533,038</u>
Creditors				
Amounts falling due within one year		<u>(1,740,672)</u>	<u>-</u>	<u>(1,740,672)</u>
Net current liabilities		<u>(207,634)</u>	<u>-</u>	<u>(207,634)</u>
Total assets less current liabilities		13,800,154	-	13,800,154
Creditors				
Amounts falling due after more than one year		(5,683,136)	-	(5,683,136)
Accruals and deferred income		<u>(183,033)</u>	<u>-</u>	<u>(183,033)</u>
Net assets		<u>7,933,985</u>	<u>-</u>	<u>7,933,985</u>
Capital and reserves				
Called up share capital		100	-	100
Revaluation reserve		1,242,041	-	1,242,041
Foreign currency translation reserve		1,573,972	-	1,573,972
Retained earnings		4,953,001	-	4,953,001
Shareholders' funds		7,769,114	-	7,769,114
Minority interests		164,871	-	164,871
		<u>7,933,985</u>	<u>-</u>	<u>7,933,985</u>

The notes form part of these financial statements

PRINCE HOTELS LIMITED

Reconciliation of Equity - continued
31 December 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Intangible assets		158,167	-	158,167
Tangible assets		12,708,421	-	12,708,421
Investments		6,026	-	6,026
Investment property		350,000	-	350,000
		<u>13,222,614</u>	<u>-</u>	<u>13,222,614</u>
Current assets				
Stocks		67,579	-	67,579
Debtors		966,702	-	966,702
Cash at bank and in hand		53,036	-	53,036
		<u>1,087,317</u>	<u>-</u>	<u>1,087,317</u>
Creditors				
Amounts falling due within one year		<u>(1,547,138)</u>	<u>-</u>	<u>(1,547,138)</u>
Net current liabilities		<u>(459,821)</u>	<u>-</u>	<u>(459,821)</u>
Total assets less current liabilities		12,762,793	-	12,762,793
Creditors				
Amounts falling due after more than one year		<u>(4,838,547)</u>	<u>-</u>	<u>(4,838,547)</u>
Net assets		<u>7,924,246</u>	<u>-</u>	<u>7,924,246</u>
Capital and reserves				
Called up share capital		100	-	100
Revaluation reserve		1,217,200	-	1,217,200
Foreign currency translation reserve		1,149,934	-	1,149,934
Retained earnings		5,287,499	-	5,287,499
Shareholders' funds		7,654,733	-	7,654,733
Minority interests		269,513	-	269,513
		<u>7,924,246</u>	<u>-</u>	<u>7,924,246</u>

The notes form part of these financial statements

PRINCE HOTELS LIMITED

**Reconciliation of Profit
for the year ended 31 December 2014**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Turnover	7,578,233	-	7,578,233
Cost of sales	<u>(3,926,271)</u>	<u>-</u>	<u>(3,926,271)</u>
Gross profit	3,651,962	-	3,651,962
Administrative expenses	(2,799,278)	-	(2,799,278)
Other operating income	<u>99,162</u>	<u>-</u>	<u>99,162</u>
Operating profit	951,846	-	951,846
Income from fixed asset investments	621	-	621
Interest receivable and similar income	17,896	-	17,896
Interest payable and similar expenses	<u>(260,462)</u>	<u>-</u>	<u>(260,462)</u>
Profit before taxation	709,901	-	709,901
Tax on profit	(215,602)	-	(215,602)
Profit after taxation	494,299	-	494,299
Minority interest - equity	<u>(104,642)</u>	<u>-</u>	<u>(104,642)</u>
Profit for the financial year	<u><u>389,657</u></u>	<u><u>-</u></u>	<u><u>389,657</u></u>
Profit attributable to:			
Owners of the parent	389,657	-	389,657
Non-controlling interests	<u>104,642</u>	<u>-</u>	<u>104,642</u>
	<u><u>494,299</u></u>	<u><u>-</u></u>	<u><u>494,299</u></u>

The notes form part of these financial statements