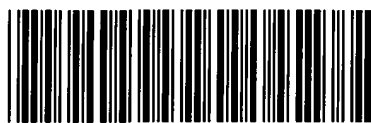


Group Strategic Report,
Report of the Director and
Consolidated Financial Statements
for the Year Ended 31 December 2016
for
PRINCE HOTELS LIMITED

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PRINCE HOTELS LIMITED

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for the year ended 31 December 2016

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PRINCE HOTELS LIMITED

Company Information
for the year ended 31 December 2016

Director:	P Nasser
Registered office:	Prince Hotels Limited 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 2016

The director presents his strategic report of the company and the group for the year ended 31 December 2016.

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 has increased on the previous year by 8%. A key contributor to this is the average room rate increase on last year of 14%, despite occupancy levels remaining relatively steady at 83%. The group reported an operating profit of £564,020 for the year to 31 December 2016 (2015: £1,159,719). Operating profit before depreciation, amortisation and foreign exchange movements was £1,278,417 (2015: £1,198,494). The prospects for 2017 are very positive with improved confidence in the economy, and trading for the new year is going well.

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: 30.5.17

PRINCE HOTELS LIMITED

Report of the Director for the year ended 31 December 2016

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2016.

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 2016 was £300,000.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Director

P Nasser held office during the whole of the period from 1 January 2016 to the date of this report.

Statement of director's responsibilities

The director is responsible for preparing the Group Strategic Report, 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: 30.5.17

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 2016 on pages six to twenty five. 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 2016 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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report have been prepared in accordance with applicable legal requirements.

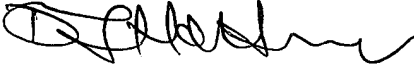
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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: 30.5.17

PRINCE HOTELS LIMITED

**Consolidated Statement of Comprehensive Income
for the year ended 31-December-2016**

	Notes	2016 £	2015 £
Turnover	4	8,156,240	7,572,011
Cost of sales		<u>(4,211,604)</u>	<u>(3,899,582)</u>
Gross profit		3,944,636	3,672,429
Administrative expenses		<u>(3,151,131)</u>	<u>(2,823,545)</u>
		793,505	848,884
Foreign exchange (loss)/gain		<u>(324,454)</u>	233,088
Other operating income	5	<u>94,969</u>	<u>77,747</u>
Operating profit	8	564,020	1,159,719
Income from fixed asset investments		631	559
Interest receivable and similar income		<u>93,039</u>	<u>28,568</u>
		657,690	1,188,846
Interest payable and similar expenses	9	<u>(116,059)</u>	<u>(173,046)</u>
Profit before taxation		541,631	1,015,800
Tax on profit	10	<u>(231,364)</u>	<u>(257,872)</u>
Profit for the financial year		310,267	757,928
Other comprehensive income			
Transfer from revaluation reserve		(23,857)	(24,344)
Transfer to profit and loss reserve		23,857	24,344
Retranslation of subsidiary's net assets		<u>739,715</u>	<u>(659,491)</u>
Other comprehensive income for the year, net of income tax		<u>739,715</u>	<u>(659,491)</u>
Total comprehensive income for the year		<u><u>1,049,982</u></u>	<u><u>98,437</u></u>
Profit attributable to:			
Owners of the parent		228,452	659,899
Non-controlling interests		<u>81,815</u>	<u>98,029</u>
		<u><u>310,267</u></u>	<u><u>757,928</u></u>
Total comprehensive income attributable to:			
Owners of the parent		790,635	158,686
Non-controlling interests		<u>259,347</u>	<u>(60,249)</u>
		<u><u>1,049,982</u></u>	<u><u>98,437</u></u>

The notes form part of these financial statements

Consolidated Statement of Financial Position

31-December-2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	13		108,067		133,117
Tangible assets	14		10,692,140		10,116,756
Investments	15		6,594		5,674
Investment property	16		<u>350,000</u>		<u>350,000</u>
			11,156,801		10,605,547
Current assets					
Stocks	17	58,114		68,979	
Debtors	18	1,455,388		1,320,035	
Cash at bank and in hand		<u>248,477</u>		<u>220,079</u>	
		1,761,979		1,609,093	
Creditors					
Amounts falling due within one year	19	<u>1,724,482</u>		<u>1,627,958</u>	
Net current assets/(liabilities)			<u>37,497</u>		<u>(18,865)</u>
Total assets less current liabilities			11,194,298		10,586,682
Creditors					
Amounts falling due after more than one year	20		(2,497,845)		(2,649,349)
Provisions for liabilities	24		<u>(53,788)</u>		<u>(44,650)</u>
Net assets			<u>8,642,665</u>		<u>7,892,683</u>
Capital and reserves					
Called up share capital	25		100		100
Revaluation reserve	26		1,168,999		1,192,856
Foreign currency translation reserve	26		1,230,158		490,443
Retained earnings	26		<u>5,794,051</u>		<u>5,841,742</u>
Shareholders' funds			8,193,308		7,525,141
Non-controlling interests			<u>449,357</u>		<u>367,542</u>
Total equity			<u>8,642,665</u>		<u>7,892,683</u>

The financial statements were approved by the director on 20.5.17 and were signed by:


P Nasser - Director

Company Statement of Financial Position

31 December 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	13		108,067		133,117
Tangible assets	14		5,468,508		5,557,219
Investments	15		12,836		12,836
Investment property	16		<u>350,000</u>		<u>350,000</u>
			5,939,411		6,053,172
Current assets					
Stocks	17	31,063		34,625	
Debtors	18	6,110,482		5,465,642	
Cash at bank and in hand		<u>204,830</u>		<u>150,937</u>	
		6,346,375		5,651,204	
Creditors					
Amounts falling due within one year	19	<u>1,153,472</u>		<u>1,154,444</u>	
Net current assets			<u>5,192,903</u>		<u>4,496,760</u>
Total assets less current liabilities			11,132,314		10,549,932
Creditors					
Amounts falling due after more than one year	20		(1,958,028)		(1,988,801)
Provisions for liabilities	24		<u>(53,788)</u>		<u>(44,650)</u>
Net assets			<u>9,120,498</u>		<u>8,516,481</u>
Capital and reserves					
Called up share capital	25		100		100
Revaluation reserve	26		1,168,999		1,192,856
Retained earnings	26		<u>7,951,399</u>		<u>7,323,525</u>
Shareholders' funds			<u>9,120,498</u>		<u>8,516,481</u>
Company's profit for the financial year			<u>904,017</u>		<u>160,426</u>

The financial statements were approved by the director on 30.5.17..... and were signed by:

.....
P Nasser - Director

PRINCE HOTELS LIMITED

**Consolidated Statement of Changes in Equity
for the year ended 31 December 2016**

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2015	100	5,287,499	1,217,200
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>
Changes in equity			
Dividends	-	(300,000)	-
Total comprehensive income	-	252,309	(23,857)
Balance at 31 December 2016	<u>100</u>	<u>5,794,051</u>	<u>1,168,999</u>

	Foreign currency translation reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2015	1,149,934	7,654,733	367,542	8,022,275
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>367,542</u>	<u>7,892,683</u>
Changes in equity				
Dividends	-	(300,000)	-	(300,000)
Total comprehensive income	739,715	968,167	-	968,167
Balance at 31 December 2016	<u>1,230,158</u>	<u>8,193,308</u>	<u>367,542</u>	<u>8,560,850</u>

The notes form part of these financial statements

PRINCE HOTELS LIMITED

**Company Statement of Changes in Equity
for the year ended 31 December 2016**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2015	100	7,268,755	1,217,200	8,486,055
Changes in equity				
Dividends	-	(130,000)	-	(130,000)
Total comprehensive income	-	184,770	(24,344)	160,426
Balance at 31 December 2015	<u>100</u>	<u>7,323,525</u>	<u>1,192,856</u>	<u>8,516,481</u>
Changes in equity				
Dividends	-	(300,000)	-	(300,000)
Total comprehensive income	-	927,874	(23,857)	904,017
Balance at 31 December 2016	<u>100</u>	<u>7,951,399</u>	<u>1,168,999</u>	<u>9,120,498</u>

The notes form part of these financial statements

PRINCE HOTELS LIMITED

Consolidated Statement of Cash Flows
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	29	1,405,244	659,770
Interest paid		(101,259)	(151,383)
Finance costs paid		(14,800)	(21,663)
Tax paid		(122,379)	(64,441)
Net cash from operating activities		1,166,806	422,283
Cash flows from investing activities			
Purchase of tangible fixed assets		(212,120)	(279,556)
Sale of tangible fixed assets		7,569	2,176,405
Interest received		93,039	28,568
Dividends received		631	559
Net cash from investing activities		(110,881)	1,925,976
Cash flows from financing activities			
Loan repayments in year		(589,818)	(1,944,954)
Amount withdrawn by directors		(137,709)	-
Equity dividends paid		(300,000)	(130,000)
Net cash from financing activities		(1,027,527)	(2,074,954)
Increase in cash and cash equivalents		28,398	273,305
Cash and cash equivalents at beginning of year	30	220,079	(53,226)
Cash and cash equivalents at end of year	30	248,477	220,079

The notes form part of these financial statements

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 as modified by the revaluation of certain assets.

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.

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

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

3. Accounting policies - continued**Tangible fixed assets**

All fixed assets are initially recorded at cost. Freehold and leasehold property is subsequently stated at valuation.

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
Computer 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

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.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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. Exchange differences are taken into account in arriving at the 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.

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

3. Accounting policies - continued

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.

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:

	2016	2015
	£	£
United Kingdom	4,348,031	4,156,543
Europe	<u>3,808,209</u>	<u>3,415,468</u>
	<u>8,156,240</u>	<u>7,572,011</u>

5. Other operating income

	2016	2015
	£	£
Rents received	45,320	36,506
Other operating income	<u>49,649</u>	<u>41,241</u>
	<u>94,969</u>	<u>77,747</u>

6. Employees and directors

	2016	2015
	£	£
Wages and salaries	2,533,610	2,319,454
Social security costs	295,527	262,873
Other pension costs	<u>5,004</u>	<u>4,807</u>
	<u>2,834,141</u>	<u>2,587,134</u>

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

	2016	2015
Production staff	159	166
Administrative staff	8	8
Management staff	<u>20</u>	<u>22</u>
	<u>187</u>	<u>196</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 65 (2015 - 70).

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

7. Directors' emoluments

	2016	2015
	£	£
Director's remuneration	<u>21,642</u>	<u>24,768</u>

8. Operating profit

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

	2016	2015
	£	£
Hire of plant and machinery	24,401	23,335
Depreciation - owned assets	364,550	581,806
Loss/(profit) on disposal of fixed assets	343	(334,994)
Goodwill amortisation	25,050	25,050
Auditors' remuneration	11,500	11,500
Auditors' remuneration – non-audit work	<u>12,953</u>	<u>19,981</u>

9. Interest payable and similar expenses

	2016	2015
	£	£
Interest payable on bank borrowings	101,259	151,383
Other similar charges payable	<u>14,800</u>	<u>21,663</u>
	<u>116,059</u>	<u>173,046</u>

10. Taxation

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	222,226	146,468
(Over)/under provision in prior year	<u>-</u>	<u>11</u>
Total current tax	222,226	146,479
Deferred tax	<u>9,138</u>	<u>111,393</u>
Tax on profit	<u>231,364</u>	<u>257,872</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

10. Taxation - continued

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:

	2016 £	2015 £
Profit before tax	<u>541,631</u>	<u>1,015,800</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	108,326	203,160
Effects of:		
Expenses not deductible for tax purposes	7,931	3,105
Income not taxable for tax purposes	(14,287)	-
Depreciation in excess of capital allowances	30,781	14,203
Utilisation of tax losses	(65,379)	(56,946)
Adjustments to tax charge in respect of previous periods	-	11
Unrealised foreign exchange loss/(gain) not taxable	66,120	(42,513)
Change in tax rate during the year	-	1,370
Deferred tax	9,138	111,393
Foreign tax	<u>88,734</u>	<u>24,089</u>
Total tax charge	<u>231,364</u>	<u>257,872</u>

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	2016 Net £
Transfer from revaluation reserve	(23,857)	-	(23,857)
Transfer to profit and loss reserve	23,857	-	23,857
Retranslation of subsidiary's net assets	<u>739,715</u>	-	<u>739,715</u>
	<u>739,715</u>	-	<u>739,715</u>

	Gross £	Tax £	2015 Net £
Transfer from revaluation reserve	(24,344)	-	(24,344)
Transfer to profit and loss reserve	24,344	-	24,344
Retranslation of subsidiary's net assets	<u>(659,491)</u>	-	<u>(659,491)</u>
	<u>(659,491)</u>	-	<u>(659,491)</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 £904,017 (2015: £160,426).

12. Dividends

	2016 £	2015 £
Ordinary shares of £1 each		
Interim	<u>300,000</u>	<u>130,000</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

13. **Intangible fixed assets**

Group

Goodwill
£

Cost

At 1 January 2016

and 31 December 2016

501,000

Amortisation

At 1 January 2016

Amortisation for year

367,883

25,050

At 31 December 2016

392,933

Net book value

At 31 December 2016

108,067

At 31 December 2015

133,117

Company

Goodwill
£

Cost

At 1 January 2016

and 31 December 2016

501,000

Amortisation

At 1 January 2016

Amortisation for year

367,883

25,050

At 31 December 2016

392,933

Net book value

At 31 December 2016

108,067

At 31 December 2015

133,117

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

14. Tangible fixed assets

Group

	Freehold property £	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
Cost or valuation					
At 1 January 2016	10,993,099	642,399	4,168,110	26,750	15,830,358
Additions	68,557	8,505	135,058	-	212,120
Disposals	-	-	(15,828)	-	(15,828)
Exchange differences	806,010	-	66,330	4,335	876,675
At 31 December 2016	11,867,666	650,904	4,353,670	31,085	16,903,325
Depreciation					
At 1 January 2016	1,869,490	125,512	3,704,930	13,670	5,713,602
Charge for year	167,220	12,933	180,532	3,865	364,550
Eliminated on disposal	-	-	(7,916)	-	(7,916)
Exchange differences	94,890	-	43,667	2,392	140,949
At 31 December 2016	2,131,600	138,445	3,921,213	19,927	6,211,185
Net book value					
At 31 December 2016	9,736,066	512,459	432,457	11,158	10,692,140
At 31 December 2015	9,123,609	516,887	463,180	13,080	10,116,756

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 2016.

Included in the net book value of £10,692,140 (2015: £10,116,756), includes non-depreciable assets of £3,174,815 (2015: £3,174,815).

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

Group and Company

	2016 £	2015 £
Historical cost	6,040,319	6,040,319
Depreciation:		
At 1 January 2016	1,658,558	1,538,958
Charge for the year	119,600	119,600
At 31 December 2016	1,778,158	1,658,558
Net historical cost value		
At 31 December 2016	4,262,161	4,381,761
At 31 December 2015	4,381,761	4,501,361

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

14. Tangible fixed assets - continued

Company

	Freehold property £	Long leasehold £	Fixtures and fittings £	Totals £
Cost or valuation				
At 1 January 2016	6,020,116	642,399	3,763,407	10,425,922
Additions	<u>68,557</u>	<u>8,505</u>	<u>103,106</u>	<u>180,168</u>
At 31 December 2016	<u>6,088,673</u>	<u>650,904</u>	<u>3,866,513</u>	<u>10,606,090</u>
Depreciation				
At 1 January 2016	1,298,165	125,512	3,445,026	4,868,703
Charge for year	<u>117,088</u>	<u>12,933</u>	<u>138,858</u>	<u>268,879</u>
At 31 December 2016	<u>1,415,253</u>	<u>138,445</u>	<u>3,583,884</u>	<u>5,137,582</u>
Net book value				
At 31 December 2016	<u>4,673,420</u>	<u>512,459</u>	<u>282,629</u>	<u>5,468,508</u>
At 31 December 2015	<u>4,721,951</u>	<u>516,887</u>	<u>318,381</u>	<u>5,557,219</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 2016.

15. Fixed asset investments

Group

	Unlisted investments £
Cost	
At 1 January 2016	5,674
Exchange differences	<u>920</u>
At 31 December 2016	<u>6,594</u>
Net book value	
At 31 December 2016	<u>6,594</u>
At 31 December 2015	<u>5,674</u>

Company

	Shares in group undertakings £
Cost	
At 1 January 2016 and 31 December 2016	<u>12,836</u>
Net book value	
At 31 December 2016	<u>12,836</u>
At 31 December 2015	<u>12,836</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

15. Fixed asset investments - continued

	2016	2015
	EUR €	EUR €
Aggregate capital and reserves		
Prince Hotels (Frankfurt) GmbH (trading - hotelier)	(145,392)	(431,626)
Prince Hotels (Europe) GmbH (dormant)	-	-
Profit and (loss) for the year		
Prince Hotels (Frankfurt) GmbH (trading - hotelier)	286,234	270,261
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 2016	
and 31 December 2016	<u>350,000</u>
Net book value	
At 31 December 2016	<u>350,000</u>
At 31 December 2015	<u>350,000</u>
Company	Total
	£
Fair value	
At 1 January 2016	
and 31 December 2016	<u>350,000</u>
Net book value	
At 31 December 2016	<u>350,000</u>
At 31 December 2015	<u>350,000</u>

Investment property has been included at a director's valuation. The director reviews the fair value of the properties annually and is satisfied that there is no adjustment required as at 31 December 2016.

17. Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Stocks	<u>58,114</u>	<u>68,979</u>	<u>31,063</u>	<u>34,625</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

18. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	282,792	283,425	82,049	72,312
Other debtors	819,444	736,890	1,350	-
Prepayments and accrued income	73,026	70,407	62,368	62,709
	<u>1,175,262</u>	<u>1,090,722</u>	<u>145,767</u>	<u>135,021</u>
 Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	5,684,589	5,101,308
Amounts owed by associates	280,126	229,313	280,126	229,313
	<u>280,126</u>	<u>229,313</u>	<u>5,964,715</u>	<u>5,330,621</u>
 Aggregate amounts	<u>1,455,388</u>	<u>1,320,035</u>	<u>6,110,482</u>	<u>5,465,642</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 21)	554,335	470,124	331,798	285,509
Trade creditors	395,197	351,260	234,794	191,355
Corporation tax	229,491	146,698	133,492	122,379
CT61 tax creditor	2,876	-	2,876	-
Social security and other taxes	26,192	23,290	15,351	15,643
VAT	241,994	201,657	239,653	197,115
Other creditors	20,248	20,055	17,554	18,292
Directors' loan accounts	96,950	234,659	96,950	234,659
Accruals and deferred income	157,199	180,215	81,004	89,492
	<u>1,724,482</u>	<u>1,627,958</u>	<u>1,153,472</u>	<u>1,154,444</u>

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans (see note 21)	<u>2,497,845</u>	<u>2,649,349</u>	<u>1,958,028</u>	<u>1,988,801</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

21. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>554,335</u>	<u>470,124</u>	<u>331,798</u>	<u>285,509</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>554,335</u>	<u>470,124</u>	<u>331,798</u>	<u>285,509</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>1,312,673</u>	<u>1,161,779</u>	<u>995,393</u>	<u>856,526</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>630,837</u>	<u>1,017,446</u>	<u>630,837</u>	<u>846,766</u>

22. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	<u>42,016</u>	24,402
Between one and five years	<u>44,149</u>	<u>10,916</u>
	<u>86,165</u>	<u>35,318</u>

Company

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	<u>22,414</u>	13,695
Between one and five years	<u>20,800</u>	<u>6,585</u>
	<u>43,214</u>	<u>20,280</u>

23. Secured debts

The following secured debts are included within creditors:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans	<u>3,052,180</u>	<u>3,119,473</u>	<u>2,289,826</u>	<u>2,274,310</u>

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

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

24. Provisions for liabilities

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>53,788</u>	<u>44,650</u>	<u>53,788</u>	<u>44,650</u>

Group

	Deferred tax
	£
Balance at 1 January 2016	44,650
Credit to Statement of Comprehensive Income during year	<u>9,138</u>
Balance at 31 December 2016	<u>53,788</u>

Company

	Deferred tax
	£
Balance at 1 January 2016	44,650
Credit to Statement of Comprehensive Income during year	<u>9,138</u>
Balance at 31 December 2016	<u>53,788</u>

25. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
		£1	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

26. Reserves

Group

	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Totals
	£	£	£	£
At 1 January 2016	5,841,742	1,192,856	490,443	7,525,041
Profit for the year	228,452			228,452
Dividends	(300,000)			(300,000)
Exchange differences on retranslation of net assets of subsidiary undertakings	-	-	739,715	739,715
Transfer to/from revaluation reserve	<u>23,857</u>	<u>(23,857)</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>5,794,051</u>	<u>1,168,999</u>	<u>1,230,158</u>	<u>8,193,208</u>

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

26. Reserves - continued

Company

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2016	7,323,525	1,192,856	8,516,381
Profit for the year	904,017		904,017
Dividends	(300,000)		(300,000)
Transfer to/from revaluation reserve	<u>23,857</u>	<u>(23,857)</u>	<u>-</u>
At 31 December 2016	<u><u>7,951,399</u></u>	<u><u>1,168,999</u></u>	<u><u>9,120,398</u></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 £300,000 (2015: £130,000).

Throughout the year a loan existed between the company and Prince Nasser. The outstanding amounts were as follows:

Beginning of the year	-	£234,659	(due from the company)
End of the year	-	£96,950	(due from the company)
Maximum outstanding during the year	-	£249,041	(due from the company)

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 £280,126 (2015: £229,313) 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 for the group in the year totalled £183,916 (2015: £185,824).

28. Post balance sheet events

On 3 May 2017, land held on the South West side of Birmingham Road has been sold for a cash consideration of £1,113,966.

PRINCE HOTELS LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

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

	2016	2015
	£	£
Profit before taxation	541,631	1,015,800
Depreciation charges	389,600	606,857
Loss/(profit) on disposal of fixed assets	343	(334,994)
(Gain)/loss on foreign exchange on debt	508,539	(468,522)
Finance costs	116,059	173,046
Finance income	(93,670)	(29,127)
	1,462,502	963,060
Decrease/(increase) in stocks	10,865	(1,400)
Increase in trade and other debtors	(135,353)	(425,337)
Increase in trade and other creditors	67,230	123,447
Cash generated from operations	<u>1,405,244</u>	<u>659,770</u>

30. 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 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>248,477</u>	<u>220,079</u>

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>