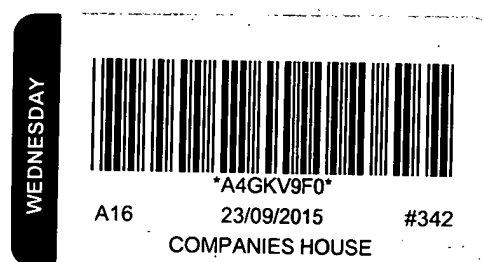


Prince Hotels Limited
Consolidated Financial Statements
For the Year Ended
31 December 2014



HAINES WATTS BIRMINGHAM LLP
Chartered Accountants & Statutory Auditor
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Prince Hotels Limited
Consolidated Financial Statements
Year Ended 31 December 2014

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Prince Hotels Limited

Officers and Professional Advisers

The Director	Prince Nasser
Company Secretary	M Stoneman
Registered Office	Birmingham Road Allesley Coventry West Midlands CV5 9BA
Auditor	Haines Watts Birmingham LLP Chartered Accountants & Statutory Auditor Sterling House 71 Francis Road Edgbaston Birmingham B16 8SP
Bankers	Lloyds Bank Plc 125 Colmore Row Birmingham B3 2SF

Prince Hotels Limited

Strategic Report

Year Ended 31 December 2014

The director presents his Strategic Report in accordance with Section 414 of the Companies Act 2006.

Principal Activity

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

Development and Performance

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 for the year was up by 5.7% which is an excellent result against continuing difficult trading conditions. Both average room rates and occupancy levels were up. The prospects for 2015 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 £686,384 for the year to 31 December 2014 (2013: £9,635). Operating profit before depreciation and amortisation was £1,163,709 (2013: £540,447), representing a significant improvement in 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.

Signed by



Prince Nasser
Director

Approved by the director on 21 May 2015

Prince Hotels Limited

Director's Report

Year Ended 31 December 2014

The director presents his report and the consolidated financial statements of the group for the year ended 31 December 2014.

Results and Dividends

The profit for the year, after taxation, amounted to £389,657. Particulars of dividends paid are detailed in note 12 to the consolidated financial statements.

Director

The director who served the company during the year was as follows:

Prince Nasser

Director's Responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare consolidated financial statements for each financial year. Under that law the director has elected to prepare the consolidated 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 consolidated financial statements unless they are 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 year.

In preparing these consolidated 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 consolidated financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable him to ensure that the consolidated financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Prince Hotels Limited

Director's Report *(continued)*

Year Ended 31 December 2014

Auditor


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

The director at the date of the approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Birmingham Road
Allesley
Coventry
West Midlands
CV5 9BA

Signed by



Prince Nasser
Director

Approved by the director on 21 May 2015

Prince Hotels Limited

Independent Auditor's Report to the Shareholders of Prince Hotels Limited

Year Ended 31 December 2014

We have audited the group and parent company consolidated financial statements ("the consolidated financial statements") of Prince Hotels Limited for the year ended 31 December 2014 on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director and Auditor

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the consolidated 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 consolidated 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 Consolidated Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated 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 consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated 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 Consolidated Financial Statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 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 Strategic Report and Director's Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

Prince Hotels Limited

Independent Auditor's Report to the Shareholders of Prince Hotels Limited *(continued)*

Year Ended 31 December 2014

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 consolidated 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
Chartered Accountants & Statutory Auditor

Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

21 May 2015

Prince Hotels Limited

Group Profit and Loss Account

Year Ended 31 December 2014

	Note	2014 £	2013 £
Group Turnover	2	7,578,233	7,169,714
Cost of sales		<u>(3,926,272)</u>	<u>(3,823,173)</u>
Gross Profit		3,651,961	3,346,541
Administrative expenses		<u>(3,064,739)</u>	<u>(3,405,157)</u>
Other operating income	3	<u>99,162</u>	<u>68,251</u>
Operating Profit	4	686,384	9,635
Foreign exchange gains/(losses)	7	<u>265,462</u>	<u>(149,518)</u>
		951,846	(139,883)
Income from fixed asset investments	8	621	654
Interest receivable		17,896	35,085
Interest payable and similar charges	9	<u>(260,462)</u>	<u>(256,715)</u>
Profit/(Loss) on Ordinary Activities Before Taxation		709,901	(360,859)
Tax on profit/(loss) on ordinary activities	10	<u>(215,602)</u>	<u>5,862</u>
Profit/(Loss) on Ordinary Activities after Taxation		494,299	(354,997)
Minority interests		<u>(104,642)</u>	<u>(39,434)</u>
Profit/(Loss) Attributable to Members of the Parent Company	11	389,657	(394,431)
Profit/(Loss) for the Financial Year		<u>389,657</u>	<u>(394,431)</u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account.

The notes on pages 12 to 27 form part of these consolidated financial statements.

Prince Hotels Limited

Group Statement of Total Recognised Gains and Losses

Year Ended 31 December 2014

	2014 £	2013 £
Profit/(Loss) for the financial year attributable to the shareholders of the parent company	389,657	(394,431)
Unrealised (loss)/profit on revaluation of: Investments brought forward	<u>(403)</u>	<u>379</u>
Total gains and losses recognised since the last annual report	<u>389,254</u>	<u>(394,052)</u>

Reconciliation of Movements in Shareholders' Funds

	2014 £	2013 £
Profit/(Loss) for the financial year	389,657	(394,431)
Equity dividends	(80,000)	(62,000)
Exchange differences on retranslation of net assets of subsidiary undertakings	<u>(424,038)</u>	<u>204,604</u>
Net reduction to shareholders' funds	<u>(114,381)</u>	<u>(251,827)</u>
Opening shareholders' funds	7,769,114	8,020,941
Closing shareholders' funds	<u>7,654,733</u>	<u>7,769,114</u>

The notes on pages 12 to 27 form part of these consolidated financial statements.


Prince Hotels Limited

Group Balance Sheet

31 December 2014

	Note	2014 £	2013 £
Fixed Assets			
Intangible assets	13	158,167	183,217
Tangible assets	14	13,058,421	13,818,142
Investments	15	6,026	6,429
		<u>13,222,614</u>	<u>14,007,788</u>
Current Assets			
Stocks	16	67,579	61,655
Debtors	17	966,702	1,244,207
Cash at bank and in hand		23,178	163,436
		<u>1,057,459</u>	<u>1,469,298</u>
Creditors: Amounts Falling due Within One Year	19	<u>1,517,279</u>	<u>1,859,965</u>
Net Current Liabilities		<u>(459,820)</u>	<u>(390,667)</u>
Total Assets Less Current Liabilities		<u>12,762,794</u>	<u>13,617,121</u>
Creditors: Amounts Falling due after More than One Year	20	4,838,548	5,683,136
		<u>7,924,246</u>	<u>7,933,985</u>
Minority Interests		<u>269,513</u>	<u>164,871</u>
		<u>7,654,733</u>	<u>7,769,114</u>
Capital and Reserves			
Called-up equity share capital	25	100	100
Revaluation reserve	26	1,217,200	1,242,041
Foreign currency translation reserve	26	1,149,934	1,573,972
Profit and loss account	26	5,287,499	4,953,001
Shareholders' Funds		<u>7,654,733</u>	<u>7,769,114</u>

These accounts were approved and signed by the director and authorised for issue on 21 May 2015.



 Prince Nasser

The notes on pages 12 to 27 form part of these consolidated financial statements.

Prince Hotels Limited

Balance Sheet

31 December 2014

	Note	2014 £	2013 £
Fixed Assets			
Intangible assets	13	158,167	183,217
Tangible assets	14	5,960,484	6,116,019
Investments	15	12,836	12,836
		<u>6,131,487</u>	<u>6,312,072</u>
Current Assets			
Stocks	16	30,587	28,488
Debtors	17	7,321,731	8,091,823
Cash at bank and in hand		23,178	163,436
		<u>7,375,496</u>	<u>8,283,747</u>
Creditors: Amounts Falling due Within One Year	19	<u>1,079,978</u>	<u>1,295,617</u>
Net Current Assets		<u>6,295,518</u>	<u>6,988,130</u>
Total Assets Less Current Liabilities		<u>12,427,005</u>	<u>13,300,202</u>
Creditors: Amounts Falling due after More than One Year	20	<u>3,940,950</u>	<u>4,527,952</u>
		<u>8,486,055</u>	<u>8,772,250</u>
Capital and Reserves			
Called-up equity share capital	25	100	100
Revaluation reserve	26	1,217,200	1,242,041
Profit and loss account	26	7,268,755	7,530,109
Shareholders' Funds		<u>8,486,055</u>	<u>8,772,250</u>

These accounts were approved and signed by the director and authorised for issue on 21 May 2015.


Prince Nasser

Company Registration Number: 02995507

The notes on pages 12 to 27 form part of these consolidated financial statements.

Prince Hotels Limited

Group Cash Flow

Year Ended 31 December 2014

	Note	2014		2013	
		£	£	£	£
Net Cash Inflow from Operating Activities	27		891,346		1,248,498
Returns on Investments and Servicing of Finance	27		(241,945)		(220,976)
Taxation	27		(5,622)		(59,750)
Capital Expenditure and Financial Investment	27		(170,549)		(202,400)
Equity Dividends Paid			(80,000)		(62,000)
Cash Inflow Before Financing			393,230		703,372
Financing	27		(562,897)		(584,131)
(Decrease)/Increase in Cash	27		(169,667)		119,241

The notes on pages 12 to 27 form part of these consolidated financial statements.

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

1. Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

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 enterprises are translated using the closing rate/net investment method prescribed by SSAP 20: Foreign Currency Translation. Under this method the amounts in the balance sheet of the foreign enterprise are translated into Sterling using the rate of exchange ruling at the balance sheet date. Where the closing rate differs from the rate ruling at the previous balance sheet date, exchange differences arise and are dealt with in reserves. Amounts in the profit and loss account of the foreign enterprise are translated into Sterling at the average rate of exchange for the accounting period. Where the average rate differs from the closing rate, exchange differences arise and are dealt with in reserves.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year, exclusive of Value Added Tax. 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 instalments over its useful economic life up to a maximum of 20 years. 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 maximum
Software Licences	-	3 years straight line

Fixed Assets

All fixed assets are initially recorded at cost.

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

1. Accounting Policies *(continued)*

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% 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 Properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 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 the 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.

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 group profit and loss account.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

1. Accounting Policies *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet 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.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Turnover

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

An analysis of turnover is given below:

	2014	2013
	£	£
United Kingdom	3,894,135	3,435,095
Overseas	3,684,098	3,734,619
	<u>7,578,233</u>	<u>7,169,714</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

3. Other Operating Income

	2014	2013
	£	£
Rent receivable	47,675	25,379
Other operating income	51,487	42,872
	<u>99,162</u>	<u>68,251</u>

4. Operating Profit

Operating profit is stated after charging:

	2014	2013
	£	£
Amortisation of intangible assets	25,050	25,050
Depreciation of owned fixed assets	452,274	467,012
Loss on disposal of fixed assets	—	38,750
Auditor's remuneration		
- as auditor	<u>9,500</u>	<u>9,500</u>

5. Particulars of Employees

The average number of staff employed by the group during the financial year amounted to:

	2014	2013
	No	No
Number of production staff	162	159
Number of administrative staff	11	11
Number of management staff	12	12
	<u>185</u>	<u>182</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	2,343,470	2,265,636
Social security costs	303,834	278,182
Other pension costs	1,961	—
	<u>2,649,265</u>	<u>2,543,818</u>

6. Director's Remuneration

The director's aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	<u>21,513</u>	<u>21,663</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

7. Foreign Exchange Gains/(Losses)

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. These unrealised exchange differences are shown separately in the profit and loss account below operating profit and amounted to a gain of £265,462 as at 31 December 2014 (2013: loss of £149,518).

8. Income from Fixed Asset Investments

	2014 £	2013 £
Income from other fixed asset investments	<u>621</u>	<u>654</u>

9. Interest Payable and Similar Charges

	2014 £	2013 £
Interest payable on bank borrowing	223,294	256,715
Other similar charges payable	<u>37,168</u>	<u>-</u>
	<u>260,462</u>	<u>256,715</u>

10. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 21.50% (2013 - 23%)	64,441	(38,039)
(Over)/under provision in prior year	<u>43,661</u>	<u>8,148</u>
Total current tax	108,102	(29,891)
Deferred tax:		
Origination and reversal of timing differences	<u>107,500</u>	<u>24,029</u>
Tax on profit/(loss) on ordinary activities	<u>215,602</u>	<u>(5,862)</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

10. Taxation on Ordinary Activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.50% (2013 - 23%).

	2014 £	2013 £
Profit/(loss) on ordinary activities before taxation	<u>709,901</u>	<u>(360,859)</u>
Profit/(loss) on ordinary activities by rate of tax	152,629	(82,998)
Expenses not deductible for tax purposes	7,951	6,007
Depreciation for period in excess of capital allowances	32,260	6,528
Unrealised foreign exchange loss/(gain) on loans	(57,075)	34,389
Current year losses	-	(3,892)
Loss relief	(70,530)	(6,986)
Adjustments to tax charge in respect of previous periods	43,661	8,148
Foreign tax	-	8,913
Marginal relief	(794)	-
Total current tax (note 10(a))	<u>108,102</u>	<u>(29,891)</u>

(c) Factors that may affect future tax charges

No provision has been made for deferred tax on gains arising on the sale of assets, where potential gains have been rolled over into replacement assets. Such tax would only become payable if the assets were sold without it being possible to claim rollover relief. The total amount unprovided is £1,286,256. At present, it is not envisaged that any tax will become payable in the foreseeable future.

11. Loss Attributable to Members of the Parent Company

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account. The loss for the financial year in the financial statements of the parent company was £206,195 (2013 - £134,199).

12. Dividends

Equity dividends

	2014 £	2013 £
Paid during the year:		
Dividends on equity shares	<u>80,000</u>	<u>62,000</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

13. Intangible Fixed Assets

Group and company	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	<u>501,000</u>
Amortisation	
At 1 January 2014	317,783
Charge for the year	<u>25,050</u>
At 31 December 2014	<u>342,833</u>
Net Book Value	
At 31 December 2014	<u>158,167</u>
At 31 December 2013	<u>183,217</u>

14. Tangible Fixed Assets

Group	Freehold Property £	Leasehold Property £	Investment Property £	Fixtures & Fittings £	Equipment £	Total £
Cost or Valuation						
At 1 Jan 2014	13,983,717	593,144	350,000	4,427,336	20,282	19,374,479
Additions	–	–	–	158,200	12,349	170,549
Retranslation	(499,432)	–	–	(59,762)	(1,269)	(560,463)
At 31 Dec 2014	<u>13,484,285</u>	<u>593,144</u>	<u>350,000</u>	<u>4,525,774</u>	<u>31,362</u>	<u>18,984,565</u>
Depreciation						
At 1 Jan 2014	1,644,054	101,550	–	3,790,451	20,282	5,556,337
Charge for the year	204,141	11,863	–	235,031	1,239	452,274
Retranslation	(38,743)	–	–	(42,419)	(1,305)	(82,467)
At 31 Dec 2014	<u>1,809,452</u>	<u>113,413</u>	<u>–</u>	<u>3,983,063</u>	<u>20,216</u>	<u>5,926,144</u>
Net Book Value						
At 31 Dec 2014	<u>11,674,833</u>	<u>479,731</u>	<u>350,000</u>	<u>542,711</u>	<u>11,146</u>	<u>13,058,421</u>
At 31 Dec 2013	<u>12,339,663</u>	<u>491,594</u>	<u>350,000</u>	<u>636,885</u>	<u>–</u>	<u>13,818,142</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 2014.

Included in the net book value of £13,047,275 (2013 - £13,818,142), includes non-depreciable assets of £4,053,158 (2013 - £3,982,164).

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

14. Tangible Fixed Assets (continued)

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

	2014 £	2013 £
Historical cost	6,040,319	6,040,319
Depreciation:		
At 1 Jan 2014	1,419,358	1,307,134
Charge for year	119,600	112,224
At 31 Dec 2014	1,538,958	1,419,358
Net historical cost value:		
At 31 Dec 2014	4,501,361	4,620,961
At 1 Jan 2014	4,620,961	4,733,185

Company	Freehold Property £	Leasehold Property £	Investment Property £	Fixtures & Fittings £	Total £
Cost or Valuation					
At 1 January 2014	6,003,319	593,144	350,000	3,493,254	10,439,717
Additions	–	–	–	113,277	113,277
At 31 December 2014	6,003,319	593,144	350,000	3,606,531	10,552,994
Depreciation					
At 1 January 2014	1,065,837	101,550	–	3,156,311	4,323,698
Charge for the year	116,066	11,863	–	140,883	268,812
At 31 December 2014	1,181,903	113,413	–	3,297,194	4,592,510
Net Book Value					
At 31 December 2014	4,821,416	479,731	350,000	309,337	5,960,484
At 31 December 2013	4,937,482	491,594	350,000	336,943	6,116,019

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

14. Tangible Fixed Assets *(continued)*

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

	2014	2013 £
Historical cost	6,040,319	6,040,319
Depreciation:		
At 1 January 2014	1,419,358	1,307,134
Charge for year	119,600	112,224
At 31 December 2014	<u>1,538,958</u>	<u>1,419,358</u>
Net historical cost value:		
At 31 December 2014	<u>4,501,361</u>	<u>4,620,961</u>
At 1 January 2014	<u>4,620,961</u>	<u>4,733,185</u>

15. Investments

Group	Securities £
Cost or Valuation	
At 1 January 2014	6,429
Retranslation	(403)
At 31 December 2014	<u>6,026</u>
Net Book Value	
At 31 December 2014	<u>6,026</u>
At 31 December 2013	<u>6,429</u>
Company	Group Companies £
Cost or Valuation	
At 1 January 2014 and 31 December 2014	<u>12,836</u>
Net Book Value	
At 31 December 2014 and 31 December 2013	<u>12,836</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

15. Investments (continued)

The company owns 76% of the issued share capital of the companies listed below; the remaining 24% is held by Prince Nasser, the company's sole shareholder and director. Both subsidiary companies are incorporated and registered in Germany.

	2014 EUR €	2013 EUR €
Aggregate capital and reserves		
Prince Hotels (Frankfurt) GmbH (trading - hotelier)	(701,887)	(988,657)
Prince Hotels (Europe) GmbH (dormant)	—	—
Profit and (loss) for the year		
Prince Hotels (Frankfurt) GmbH (trading - hotelier)	286,770	1,355
Prince Hotels (Europe) GmbH (dormant)	—	—

16. Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Stock	<u>67,579</u>	<u>61,655</u>	<u>30,587</u>	<u>28,488</u>

17. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	304,751	288,400	78,531	44,054
Amounts owed by group undertakings	—	—	6,994,794	7,655,782
Amounts owed by related undertakings	204,017	210,505	204,017	210,505
Corporation tax repayable	—	38,039	—	38,039
Other debtors	331,357	480,923	—	106,931
Deferred taxation (Note 18)	72,004	179,504	—	—
Prepayments and accrued income	54,573	46,836	44,389	36,512
	<u>966,702</u>	<u>1,244,207</u>	<u>7,321,731</u>	<u>8,091,823</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts owed by group and related undertakings	<u>204,017</u>	<u>210,505</u>	<u>7,198,811</u>	<u>7,605,744</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

18. Deferred Taxation

The movement in the deferred taxation asset during the year was:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Asset brought forward	179,504	203,533	-	-
Decrease in asset	(107,500)	(24,029)	-	-
Asset carried forward	<u>72,004</u>	<u>179,504</u>	<u>-</u>	<u>-</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2014		2013	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Tax losses available	<u>72,004</u>	-	<u>179,504</u>	-

19. Creditors: Amounts Falling due Within One Year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	565,150	558,186	409,404	434,152
Trade creditors	353,960	523,447	192,637	220,120
Director's loan account	220,860	362,947	220,860	362,947
Other creditors including taxation and social security:				
Corporation tax	64,441	-	64,441	-
Other taxation and social security	123,111	152,247	103,929	142,809
Other creditors	57,038	80,105	17,588	16,890
Accruals and deferred income	132,719	183,033	71,119	118,699
	<u>1,517,279</u>	<u>1,859,965</u>	<u>1,079,978</u>	<u>1,295,617</u>

The bank loans are secured by way of a first legal charge over the group's freehold, leasehold and investment properties.

20. Creditors: Amounts Falling due after More than One Year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	<u>4,838,548</u>	<u>5,683,136</u>	<u>3,940,950</u>	<u>4,527,952</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

21. Creditors - Capital Instruments

Creditors include finance capital which is due for repayment as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts repayable:				
In one year or less or on demand	488,747	511,191	303,142	323,417
In more than one year but not more than two years	488,747	511,191	303,142	323,417
In more than two years but not more than five years	1,394,727	1,640,820	909,425	970,251
In more than five years	2,955,075	3,531,126	2,728,384	3,234,285
	<u>5,327,296</u>	<u>6,194,328</u>	<u>4,244,093</u>	<u>4,851,370</u>

22. Commitments under Operating Leases

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Assets other than Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>12,590</u>	<u>-</u>

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

Company	Assets other than land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>12,590</u>	<u>-</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

23. Transactions With the Director

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

Beginning of the year	-	£362,947 (due to the company);
End of the year	-	£220,860 (due from the company);
Maximum during the year	-	£362,947 (due to the company).

24. Related Party Transactions

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 £80,000 (2013 - £62,000).

HRH Hotels Limited (a company previously under the common control of Prince Nasser)

At the year end the amount outstanding in other debtors was £Nil (2013 - other debtors £2,611). Loans denominated in Euros are translated at the year-end rate. HRH Hotels Limited is now in liquidation.

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. Capital repayments totalling €11,099 (2013 - €240,000) were received in the year. Interest of €22,798 (2013 - €41,674) was charged in the year. At the year end the amount outstanding was £204,017 (2013 - £207,894) and this amount is also included in other debtors - amounts owed to related companies. The loan is translated at the year-end rate.

25. Share Capital

Authorised share capital:

	2014	2013
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

26. Reserves

Group	Revaluation reserve £	Foreign currency translation reserve £	Profit and loss account £
Balance brought forward	1,242,041	1,573,972	4,953,001
Profit for the year	—	—	389,657
Equity dividends	—	—	(80,000)
Transfers	(24,841)	—	24,841
Exchange differences on retranslation of net assets of subsidiary undertakings	—	(424,038)	—
Balance carried forward	<u>1,217,200</u>	<u>1,149,934</u>	<u>5,287,499</u>

Company	Revaluation reserve £	Profit and loss account £
Balance brought forward	1,242,041	7,530,109
Loss for the year	—	(206,195)
Equity dividends	—	(80,000)
Transfers	(24,841)	24,841
Balance carried forward	<u>1,217,200</u>	<u>7,268,755</u>

27. Notes to the Cash Flow Statement

Reconciliation of Operating Profit/(Loss) to Net Cash Inflow From Operating Activities

	2014 £	2013 £
Operating profit	686,384	9,635
Amortisation	25,050	25,050
Depreciation	452,274	467,012
Loss on disposal of fixed assets	—	38,750
Increase in stocks	(5,924)	(15,093)
Decrease in debtors	131,966	364,680
(Decrease)/increase in creditors	(414,091)	316,767
(Gain)/loss on foreign currency retranslation on debt	(249,775)	191,215
Foreign exchange gains/(losses)	265,462	(149,518)
Net cash inflow from operating activities	<u>891,346</u>	<u>1,248,498</u>

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

27. Notes to the Cash Flow Statement (continued)

Returns on Investments and Servicing of Finance

	2014	2013
	£	£
Income from other fixed asset investments	621	654
Interest received	17,896	35,085
Interest paid	(260,462)	(256,715)
Net cash outflow from returns on investments and servicing of finance	(241,945)	(220,976)

Taxation

	2014	2013
	£	£
Taxation	(5,622)	(59,750)

Capital Expenditure and Financial Investment

	2014	2013
	£	£
Payments to acquire tangible fixed assets	(170,549)	(293,938)
Receipts from sale of fixed assets	–	85,000
Disposal of fixed asset investments	–	6,538
Net cash outflow for capital expenditure and financial investment	(170,549)	(202,400)

Financing

	2014	2013
	£	£
Repayment of bank loans	(562,897)	(584,131)
Net cash outflow from financing	(562,897)	(584,131)

Reconciliation of Net Cash Flow to Movement in Net Debt

	2014		2013	
	£	£	£	£
(Decrease)/increase in cash in the period	(169,667)		119,241	
Net cash outflow from bank loans	562,897		584,131	
Change in net debt resulting from cash flows		393,230		703,372
Translation differences		304,136		(153,297)
Movement in net debt in the period		697,366		550,075
Net debt at 1 January 2014		(6,077,886)		(6,627,961)
Net debt at 31 December 2014		(5,380,520)		(6,077,886)

Prince Hotels Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2014

27. Notes to the Cash Flow Statement *(continued)*

Analysis of Changes in Net Debt

	At 1 Jan 2014 £	Cash flows £	Exchange movement £	At 31 Dec 2014 £
Net cash:				
Cash in hand and at bank	163,436	(140,258)	—	23,178
Overdrafts	(46,995)	(29,409)	—	(76,404)
	<u>116,441</u>	<u>(169,667)</u>	<u>—</u>	<u>(53,226)</u>
Debt:				
Debt due within 1 year	(511,191)	22,445	—	(488,746)
Debt due after 1 year	(5,683,136)	540,452	304,136	(4,838,548)
	<u>(6,194,327)</u>	<u>562,897</u>	<u>304,136</u>	<u>(5,327,294)</u>
Net debt	<u>(6,077,886)</u>	<u>393,230</u>	<u>304,136</u>	<u>(5,380,520)</u>