

# REGISTRAR

Company Registration No. 1467761 (England and Wales)

**AB HOTELS LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
28 OCTOBER 2012**

THURSDAY



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COMPANIES HOUSE

# AB HOTELS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Abraham Bejerano V J Bejerano W B G Bauer Alon Bejerano R Bejerano
<b>Secretary</b>	Alon Bejerano
<b>Company number</b>	1467761
<b>Registered office</b>	50-60 Great Cumberland Place London W1H 8DD
<b>Auditors</b>	Newby Castleman West Walk Building 110 Regent Road Leicester LE1 7LT

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# **AB HOTELS LIMITED**

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# **AB HOTELS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 28 OCTOBER 2012**

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The directors present their report and financial statements for the period ended 28 October 2012

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of hoteliers

2012 was a year that started slowly as is traditional in our business given our year end is in October and our quietest months tend to be November to January. However, things turned around as the year progressed and, with the added exciting bonus of the London 2012 Olympics, it proved to be another successful year.

The Arch London continues to improve and the figures go from strength to strength. As the brand name is becoming more recognised within the industry and with customers alike, we are seeing improvements in many areas of its performance. We continue to look for enhancements in some of the finer areas of our offering and customer service to try and push the quality to an even higher level to aid the brand awareness and sales going forward.

Sopwell House suffered in the early part of the year as we undertook a major renovation project in our pool and spa area. This had a significant knock on effect throughout the hotel in many areas and it was a great effort to claw back the deficits to budget as the year unfolded. We are delighted with our new pool area and the feedback from members and guests have been very positive. We started a new phase of refurbishments at the back end of 2012 and into early 2013 to again raise the standards and quality throughout the hotel in order to drive sales, rates, and satisfy our wide variety of potential customer. This is being combined with a large scale rebranding which we are confident will reap big rewards.

The Crowne Plaza Resort Colchester was the only area of the business that did not meet our expectations. It has been a difficult year for the hotel as their first year under the IHG Crowne Plaza banner and the repositioning of it is a process which is unfortunately taking longer than we had anticipated. At the end of the year we made a decision to remove the management company running the hotel as we were far from satisfied with the overall performance of the hotel. We are now more optimistic having taken more control back ourselves and appointed some new, more experienced industry experts to assist us with the day to day operations.

It seems to be a recurring theme but 2012 was another challenging period for the economy as a whole and the hotel industry trading environment remains tough. Whilst continuing our rigorous focus on cost control as standard, we are looking to push the quality of our offerings to a higher level to attract more customers and retain our existing ones.

The continued low cost of borrowing has assisted us at the point of our maximum exposure with the completion of The Arch London in 2010. In 2012 further repayments have been made towards paying off the borrowing and this will continue over the coming years.

The Directors are confident that 2013 will be an even better year for the company as The Arch London continues to improve, the Crowne Plaza resort becomes more established and the refurbishment works at Sopwell House start to pay off with a higher positioned offering.

#### **Results and dividends**

The results for the period are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

# **AB HOTELS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE PERIOD ENDED 28 OCTOBER 2012**

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#### **Directors**

The following directors have held office since 31 October 2011

Abraham Bejerano

V J Bejerano

W B G Bauer

Alon Bejerano

R Bejerano

#### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance

#### **Disabled persons**

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **AB HOTELS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 28 OCTOBER 2012**

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Abraham Bejerano

**Director**

20 February 2013

# **AB HOTELS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF AB HOTELS LIMITED**

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We have audited the financial statements of AB Hotels Limited for the period ended 28 October 2012 set out on pages 6 to 20. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 28 October 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# **AB HOTELS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF AB HOTELS LIMITED**

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

**Christopher Castleman FCA (Senior Statutory Auditor)**

**for and on behalf of Newby Castleman**

21 February 2013

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT



# AB HOTELS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 28 OCTOBER 2012

	Notes	2012 £	2011 £
Turnover	2	20,819,187	18,722,997
Cost of sales		(10,334,925)	(9,700,953)
<b>Gross profit</b>		10,484,262	9,022,044
Administrative expenses		(9,324,669)	(8,199,193)
<b>Operating profit</b>	3	1,159,593	822,851
Interest payable and similar charges	4	(713,236)	(610,129)
<b>Profit on ordinary activities before taxation</b>		446,357	212,722
Tax on profit on ordinary activities	5	(32,072)	(8,392)
<b>Profit for the period</b>	15	414,285	204,330

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# AB HOTELS LIMITED

## BALANCE SHEET

AS AT 28 OCTOBER 2012

	Notes	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Tangible assets	6		45,083,154		46,033,467
<b>Current assets</b>					
Stocks	8	179,532		181,098	
Debtors	9	1,460,510		1,252,669	
Cash at bank and in hand		784,187		1,731,340	
		2,424,229		3,165,107	
<b>Creditors amounts falling due within one year</b>	10	(6,021,583)		(5,339,131)	
<b>Net current liabilities</b>			(3,597,354)		(2,174,024)
<b>Total assets less current liabilities</b>			41,485,800		43,859,443
<b>Creditors amounts falling due after more than one year</b>	11		(19,311,069)		(21,831,069)
<b>Provisions for liabilities</b>	12		(958,941)		(1,226,869)
			21,215,790		20,801,505
<b>Capital and reserves</b>					
Called up share capital	14		10,000		10,000
Revaluation reserve	15		5,742,961		5,742,961
Profit and loss account	15		15,462,829		15,048,544
<b>Shareholders' funds</b>	16		21,215,790		20,801,505

Approved by the Board and authorised for issue on 20 February 2013

  
 Abraham Bejerano  
 Director

Company Registration No 1467761

# AB HOTELS LIMITED

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 28 OCTOBER 2012

	£	2012 £	£	2011 £
<b>Net cash inflow from operating activities</b>		3,313,668		2,803,590
<b>Returns on investments and servicing of finance</b>				
Interest paid	(713,236)		(610,129)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(713,236)		(610,129)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(1,277,585)		(5,197,442)	
<b>Net cash outflow for capital expenditure</b>		(1,277,585)		(5,197,442)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		1,322,847		(3,003,981)
<b>Financing</b>				
New long term bank loan	-		4,000,000	
Repayment of long term bank loan	(2,000,000)		(500,000)	
Director's loan	(270,000)		13,845	
<b>Net cash (outflow)/inflow from financing</b>		(2,270,000)		3,513,845
<b>(Decrease)/increase in cash in the period</b>		(947,153)		509,864

# AB HOTELS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 28 OCTOBER 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012		2011	
		£		£	
	Operating profit	1,159,593		822,851	
	Depreciation of tangible assets	1,927,898		1,472,235	
	Decrease/(increase) in stocks	1,566		(13,727)	
	(Increase)/decrease in debtors	(207,841)		238,024	
	Increase in creditors within one year	432,452		321,005	
	Other provisions movement	-		(36,798)	
	<b>Net cash inflow from operating activities</b>	<b>3,313,668</b>		<b>2,803,590</b>	
2	Analysis of net debt	31 October 2011	Cash flow	Other non-cash changes	28 October 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,731,340	(947,153)	-	784,187
	Debt				
	Debts falling due within one year	(1,750,000)	(250,000)	-	(2,000,000)
	Debts falling due after one year	(21,831,069)	2,520,000	-	(19,311,069)
		(23,581,069)	2,270,000	-	(21,311,069)
	<b>Net debt</b>	<b>(21,849,729)</b>	<b>1,322,847</b>	<b>-</b>	<b>(20,526,882)</b>
3	Reconciliation of net cash flow to movement in net debt	2012		2011	
		£		£	
	(Decrease)/increase in cash in the period	(947,153)		509,864	
	Cash outflow/(inflow) from decrease/(increase) in debt	2,270,000		(3,513,845)	
	<b>Movement in net debt in the period</b>	<b>1,322,847</b>		<b>(3,003,981)</b>	
	Opening net debt	(21,849,729)		(18,845,748)	
	<b>Closing net debt</b>	<b>(20,526,882)</b>		<b>(21,849,729)</b>	

# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 OCTOBER 2012

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings (in accordance with the transitional rules of FRS 15)

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover in respect of accommodation is recognised overnight during each night the customer stays whilst other sales, including restaurant and bar revenue, are recognised at the point of purchase.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold and long leasehold land and buildings are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:

Freehold & long leasehold land and buildings no depreciation

Fixtures, fittings & equipment 10% to 25% per annum of cost

Motor vehicles 25% per annum of net book value

No depreciation is provided on freehold and long leasehold properties. It is the company's practice to maintain these assets in a continual state of sound repair. Accordingly the directors consider that the lives of these assets are so long, and their residual values (based on prices prevailing at the time of acquisition or subsequent valuation) are so high, that their depreciation is insignificant. Moreover, whilst the initial costs incurred on extensive repair and refurbishment programmes are capitalised, those in respect of items subsequently replaced are written off to the profit and loss account as incurred. In accordance with FRS 15, the directors perform an annual impairment review on the assets on which no depreciation has been charged. Any deficits are charged to the profit and loss account.

#### 1.5 Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

#### 1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 OCTOBER 2012

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### 1 Accounting policies (continued)

#### 1 9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The results of the subsidiary undertaking are immaterial to the group. The company has therefore taken advantage of the exemptions provided by Section 402 of the Companies Act 2006 not to prepare group accounts.

#### 1 10 Capitalised finance costs

Interest on borrowings specifically for the development of land and property is capitalised at the prevailing rate within the loan agreement. Interest is only capitalised whilst development is in progress.

#### 1 11 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of that obligation. Long-term provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

### 2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	1,927,898	1,472,235
Operating lease rentals	540,244	540,244
	<u>          </u>	<u>          </u>

#### Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

17,000

15,000

Other services

5,000

5,000

22,000

20,000

4 Interest payable	2012 £	2011 £
On other loans wholly repayable within five years	713,236	53,244
On loans repayable after five years	-	556,885
	<u>713,236</u>	<u>610,129</u>

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# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2012

5	Taxation	2012 £	2011 £
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	32,072	8,392
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the period</b>		
	Profit on ordinary activities before taxation	446,357	212,722
		<u>          </u>	<u>          </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	107,126	55,308
		<u>          </u>	<u>          </u>
	Effects of		
	Non deductible expenses	8,400	9,100
	Depreciation add back	462,696	382,781
	Capital allowances	(390,989)	(601,032)
	Unrelieved tax losses	-	153,843
	Tax losses utilised	(187,233)	-
		<u>          </u>	<u>          </u>
		(107,126)	(55,308)
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the period</b>	-	-
		<u>          </u>	<u>          </u>

The company has losses of £ 1,726,025 (2011 - £ 2,506,158) available for carry forward against future trading profits

No provision has been made for deferred tax on property revaluation surpluses or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would only become payable if the properties were sold without it being possible to claim rollover relief. The total amount unprovided for is £789,092 (2011 - £942,800)

# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2012

### 6 Tangible fixed assets

	Freehold & long leasehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 31 October 2011	33,086,976	32,357,927	96,450	65,541,353
Additions	37,746	1,225,839	14,000	1,277,585
Disposals	(300,000)	-	-	(300,000)
At 28 October 2012	32,824,722	33,583,766	110,450	66,518,938
<b>Depreciation</b>				
At 31 October 2011	-	19,434,479	73,407	19,507,886
Charge for the period	-	1,922,139	5,759	1,927,898
At 28 October 2012	-	21,356,618	79,166	21,435,784
<b>Net book value</b>				
At 31 October 2011	33,086,976	12,923,448	23,043	46,033,467
At 28 October 2012	32,824,722	12,227,148	31,284	45,083,154

The transitional provisions of FRS 15 have been followed in that a revaluation of a certain freehold property has not been updated since 1993. The comparable historical cost of freehold property included at a valuation of £12,283,874 (2011 £12,283,874) is £6,540,913 (2011 £6,540,913).

Included in long leasehold land and buildings is a cumulative amount of £161,409 in respect of capitalised interest.



# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2012

### 7 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 31 October 2011 & at 28 October 2012	1,370,777
<b>Provisions for diminution in value</b>	
At 31 October 2011 & at 28 October 2012	1,370,777
<b>Net book value</b>	
At 31 October 2011	-
At 28 October 2012	-

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Brioland Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2012 £	Profit/(loss) for the year 2012 £
	<b>Principal activity</b>		
Brioland Limited	Dormant	-	-

### 8 Stocks

	2012 £	2011 £
Finished goods and goods for resale	179,532	181,098

# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 28 OCTOBER 2012

9 Debtors	2012	2011
	£	£
Trade debtors	692,524	744,610
Other debtors	36,647	26,887
Prepayments and accrued income	731,339	481,172
	<u>1,460,510</u>	<u>1,252,669</u>
10 Creditors amounts falling due within one year	2012	2011
	£	£
Bank loans and overdrafts	2,000,000	1,750,000
Trade creditors	2,215,648	1,662,746
Deposits received in advance	492,002	756,415
Taxes and social security costs	907,237	649,269
Accruals and deferred income	406,696	520,701
	<u>6,021,583</u>	<u>5,339,131</u>

All bank borrowings are secured by virtue of first legal charges on freehold property

# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2012

11 Creditors. amounts falling due after more than one year	2012 £	2011 £
Bank loans	18,500,000	20,750,000
Other loans	640,000	640,000
Director's current account	171,069	441,069
	<u>19,311,069</u>	<u>21,831,069</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	-	18,500,000
Wholly repayable within five years	21,140,000	4,640,000
	<u>21,140,000</u>	<u>23,140,000</u>
Included in current liabilities	(2,000,000)	(1,750,000)
	<u>19,140,000</u>	<u>21,390,000</u>
Instalments not due within five years	-	12,000,000
	<u>-</u>	<u>12,000,000</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	2,000,000	2,000,000
In more than two years but not more than five years	17,140,000	7,390,000
In more than five years	-	12,000,000
	<u>19,140,000</u>	<u>21,390,000</u>

Bank loans are repayable by quarterly installments and come to an end either by 2014 or 2017

Other loans are repayable in two separate installments of £430,000 on 28 February 2014 and £210,000 on 17 October 2015

# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2012

### 12 Provisions for liabilities

	Deferred tax liability £	Other provisions £	Total £
Balance at 31 October 2011	681,547	545,322	1,226,869
Profit and loss account	32,072	-	32,072
Unused amounts reversed during the period	-	(300,000)	(300,000)
Balance at 28 October 2012	<u>713,619</u>	<u>245,322</u>	<u>958,941</u>

The deferred tax liability is made up as follows

	2012 £	2011 £
Accelerated capital allowances	1,110,605	1,333,148
Tax losses available	(396,986)	(651,601)
	<u>713,619</u>	<u>681,547</u>

### 13 Pension costs

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2012 £	2011 £
Contributions payable by the company for the period	<u>30,000</u>	<u>10,000</u>

### 14 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2012

### 15 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 31 October 2011	5,742,961	15,048,544
Profit for the period	-	414,285
	<u>5,742,961</u>	<u>15,462,829</u>
Balance at 28 October 2012	<u>5,742,961</u>	<u>15,462,829</u>

### 16 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial period	414,285	204,330
Opening shareholders' funds	20,801,505	20,597,175
	<u>21,215,790</u>	<u>20,801,505</u>
Closing shareholders' funds	<u>21,215,790</u>	<u>20,801,505</u>

### 17 Financial commitments

At 28 October 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 October 2013

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within one year	1,711	-
Between two and five years	125,000	131,844
In over five years	408,400	408,400
	<u>535,111</u>	<u>540,244</u>

# AB HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2012

18 Directors' remuneration	2012 £	2011 £
Remuneration for qualifying services	595,564	455,786
Company pension contributions to defined contribution schemes	30,000	10,000
	<u>625,564</u>	<u>465,786</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2011 - 4)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	<u>363,852</u>	<u>342,552</u>
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Director's emoluments include taxable benefits in kind

### 19 Employees

#### Number of employees

The average monthly number of employees (including directors) during the period was

	2012 Number	2011 Number
Management and administration	76	77
Hotel staff	351	325
	<u>427</u>	<u>402</u>

#### Employment costs

	2012 £	2011 £
Wages and salaries	8,010,888	7,488,777
Social security costs	605,012	591,732
Other pension costs	30,000	10,000
	<u>8,645,900</u>	<u>8,090,509</u>

### 20 Control

The ultimate controlling party is A Bejerano who owns 90% of the ordinary share capital

# **AB HOTELS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE PERIOD ENDED 28 OCTOBER 2012**

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#### **21 Related party relationships and transactions**

During the year rent amounting to £125,000 (2011 - £125,000) was paid to the AB Hotels Limited Retirement Pension Scheme in respect of staff accommodation. Interest of £22,400 (2011 - £22,400) was paid to the AB Hotels Limited Retirement Pension Scheme in respect of a loan to the company. The balance outstanding at 28 October 2012 was £640,000 (2011 - £640,000). Interest of £Nil (2011 - £25,125) was paid to Abraham Bejerano, a company director, in respect of amounts loaned by him to the company. Interest of £1,800 (2011 - £1,500) was paid to V Bejerano, a company director, in respect of amounts loaned by her to the company.