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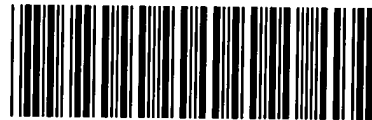
Company Registration No. 01467761 (England and Wales)

AB HOTELS LIMITED

ANNUAL REPORT

**FOR THE PERIOD ENDED
1 NOVEMBER 2015**

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COMPANIES HOUSE

AB HOTELS LIMITED

COMPANY INFORMATION

Directors	Abraham Bejerano V Bejerano Alon Bejerano R Bejerano S Bejerano (Appointed 3 December 2015)
Secretary	Alon Bejerano
Company number	01467761
Registered office	50- 60 Great Cumberland Place London W1H 8DD
Auditors	Newby Castleman West Walk Building 110 Regent Road Leicester LE1 7LT

AB HOTELS LIMITED

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AB HOTELS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 1 NOVEMBER 2015

The directors present the strategic report and financial statements for the period ended 1 November 2015.

Review of the business

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

2015 was an excellent year for the company as again record EBITDA levels were achieved. All 3 hotels continue to improve in all aspects with the financial performance reflecting this. As expected, last year we started to see an increase in the corporate business as the conditions in the wider economy improve. Sopwell House in particular benefits from this with a sizeable conference and events business which on the back of recent refurbishments in the area continues to go from strength to strength.

The Arch has again shown good growth in its financials as the team there become more and more experienced with the ins and outs of the London bedroom market. As our 6th year of opening approaches, the stability in the team there not only provides an advantage in the form of improved service levels and recognition for our many repeat guests, but it has also been recognised with a prestigious industry award as the Best Hotel for Retention as recognised by the UK's largest hospitality charity, Springboard. This was a great reflection and valuable recognition of the wonderful work that has taken place on staff engagement, training, empowerment and ultimately retention over the past 5 years.

2015 saw yet more investment at Sopwell House as we approach the end of our repositioning of the hotel with significant improvements to both the product and the service. The Mews apartments and suites have been totally transformed into an exclusive luxury high end area of the hotel which has been receiving amazing feedback from guests and industry peers alike and will help to take the Sopwell experience to the next level. A substantial investment was made in this area and similarly the significant refurbishment of the Conference area has drawn to an end with the final meeting room and reception area being brought up to the level of the other areas also recently renovated. Under the direction of a new General Manager we are seeing many areas of the hotel improve which is reflected in a strong financial performance.

The Crowne Plaza Resort Colchester continues its upward trend in profitability. Under Michels and Taylor, with the assistance from the AB Hotels Head Office, we are edging towards the levels of financial performance we are looking to secure. There is still some way to go but the trends are all positive and we are optimistic that this can be achieved. During the year we refurbished the largest and final meeting space with a major improvement to our ballroom. This should help to attract the much needed higher value meetings and events which are gradually starting to return to the market. We have already seen a few companies book events on the back of the refurbished room with long lead times on the larger events so hopefully the benefits of this will be seen short and long term.

Our debt exposure continues to fall as we are paying off both the interest and significant amounts in repayments. One of the smaller loans taken for the transformation of Five Lakes into the Crowne Plaza Resort has now been paid off in full and we continue to pay back our larger loan in line with the requirements of the lender.

The directors are looking forward to 2016 with stability and profitability at the forefront of everyone's targets for the year ahead.

On behalf of the board



Abraham Bejerano
Director

5/2/16

AB HOTELS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 NOVEMBER 2015

The directors present their report and financial statements for the period ended 1 November 2015.

Results and dividends

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

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 3 November 2014:

Abraham Bejerano

V Bejerano

W B G Bauer

(Resigned 31 October 2015)

Alon Bejerano

R Bejerano

S Bejerano

(Appointed 3 December 2015)

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 company'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.

AB HOTELS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 NOVEMBER 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

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

5/2/16

AB HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AB HOTELS LIMITED

We have audited the financial statements of AB Hotels Limited for the period ended 1 November 2015 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 page 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 Annual Report 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 company's affairs as at 1 November 2015 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 Strategic Report and Directors' Report for the financial year 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

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

5 February 2016

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT

AB HOTELS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 1 NOVEMBER 2015

		Period ended 1 November 2015 £	Period ended 2 November 2014 £
	Notes		
Turnover	2	26,274,281	24,785,822
Cost of sales		(12,442,236)	(11,857,818)
Gross profit		13,832,045	12,928,004
Administrative expenses		(12,467,277)	(12,091,849)
Other operating income	6	690,713	-
Operating profit	3	2,055,481	836,155
Interest payable and similar charges	4	(392,306)	(483,591)
Profit on ordinary activities before taxation		1,663,175	352,564
Tax on profit on ordinary activities	5	(213,831)	(62,080)
Profit for the period	16	1,449,344	290,484

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.

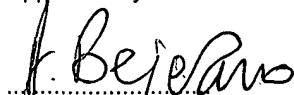
AB HOTELS LIMITED

BALANCE SHEET

AS AT 1 NOVEMBER 2015

		1 November 2015	2 November 2014
	Notes	£	£
Fixed assets			
Tangible assets	7	42,315,956	43,042,873
Current assets			
Stocks	9	258,290	223,535
Debtors	10	2,816,812	1,542,342
Cash at bank and in hand		79,172	58,957
		<u>3,154,274</u>	<u>1,824,834</u>
Creditors: amounts falling due within one year	11	<u>(7,998,041)</u>	<u>(7,837,571)</u>
Net current liabilities		<u>(4,843,767)</u>	<u>(6,012,737)</u>
Total assets less current liabilities		<u>37,472,189</u>	<u>37,030,136</u>
Creditors: amounts falling due after more than one year	12	(14,021,600)	(14,997,400)
Provisions for liabilities	13	(859,091)	(890,582)
		<u>22,591,498</u>	<u>21,142,154</u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Revaluation reserve	16	5,742,961	5,742,961
Profit and loss account	16	16,838,537	15,389,193
Shareholders' funds	17	<u>22,591,498</u>	<u>21,142,154</u>

Approved by the Board and authorised for issue on 5/2/16


 Abraham Bejerano
 Director

Company Registration No. 01467761

AB HOTELS LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 1 NOVEMBER 2015

	Period ended, 1 November 2015 £	Period ended 2 November 2014 £
Net cash inflow from operating activities	2,905,058	2,457,507
Returns on investments and servicing of finance		
Interest paid	(392,306)	(483,591)
Net cash outflow for returns on investments and servicing of finance	(392,306)	(483,591)
Capital expenditure		
Payments to acquire tangible assets	(1,181,337)	(599,750)
Receipts from sales of tangible assets	-	58,205
Net cash outflow for capital expenditure	(1,181,337)	(541,545)
Net cash inflow before management of liquid resources and financing	1,331,415	1,432,371
Financing		
Other new long term loans	600,000	650,000
Repayment of long term bank loan	(1,500,000)	(2,250,000)
Repayment of other long term loans	(340,000)	(430,000)
Capital element of hire purchase arrangements	(71,200)	(138,605)
Net cash outflow from financing	(1,311,200)	(2,168,605)
Increase/(decrease) in cash in the period	20,215	(736,234)

AB HOTELS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 1 NOVEMBER 2015

1 Reconciliation of operating profit to net cash inflow from operating activities	2015	2014
	£	£
Operating profit	2,055,481	836,155
Depreciation of tangible assets	1,662,932	1,706,183
Profit on disposal of tangible assets	-	(10,524)
Increase in stocks	(34,755)	(11,496)
Increase in debtors	(1,274,470)	(100,711)
Increase in creditors within one year	495,870	37,900
Net cash inflow from operating activities	2,905,058	2,457,507

2 Analysis of net debt	3 November 2014	Cash flow	Other non-cash changes	1 November 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	58,957	20,215	-	79,172
Debt:				
Hire purchase arrangements	(298,600)	71,200	-	(227,400)
Debts falling due within one year	(2,590,000)	340,000	-	(2,250,000)
Debts falling due after one year	(14,770,000)	900,000	-	(13,870,000)
	(17,658,600)	1,311,200	-	(16,347,400)
Net debt	(17,599,643)	1,331,415	-	(16,268,228)

3 Reconciliation of net cash flow to movement in net debt	2015	2014
	£	£
Increase/(decrease) in cash in the period	20,215	(736,234)
Cash outflow from decrease in debt and hire purchase arrangements	1,311,200	2,168,605
Change in net debt resulting from cash flows	1,331,415	1,432,371
New hire purchase arrangements	-	(437,205)
Movement in net debt in the period	1,331,415	995,166
Opening net debt	(17,599,643)	(18,594,809)
Closing net debt	(16,268,228)	(17,599,643)

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 NOVEMBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of a certain freehold property (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 VAT. 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 sale.

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:

Land & 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. 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. In accordance with FRS 15, the directors perform an annual impairment review of the assets on which no depreciation has been charged. Any deficits are charged to the profit and loss account.

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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 defined contribution schemes for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 NOVEMBER 2015

1 Accounting policies (Continued)

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.

A deferred tax asset is recognised only if it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 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	2015 £	2014 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,662,932	1,706,183
Operating lease rentals	592,400	568,400
and after crediting:		
Profit on disposal of tangible assets	-	(10,524)
	<u> </u>	<u> </u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	20,000	20,000
Other services	5,000	5,000
	<u> </u>	<u> </u>
	25,000	25,000

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 NOVEMBER 2015

4	Interest payable	2015	2014
		£	£
	On bank loans and overdrafts	371,588	461,191
	On other loans	20,718	22,400
		<u>392,306</u>	<u>483,591</u>
5	Taxation	2015	2014
		£	£
	Total current tax	-	-
	Deferred tax		
	Origination and reversal of timing differences	<u>213,831</u>	<u>62,080</u>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	<u>1,663,175</u>	<u>352,564</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 21.00%)	<u>332,635</u>	<u>74,038</u>
	Effects of:		
	Non deductible income / expenses	(133,301)	2,874
	Depreciation add back	332,586	358,298
	Capital allowances	(345,507)	(366,151)
	Tax losses utilised	(186,413)	(69,059)
		<u>(332,635)</u>	<u>(74,038)</u>
	Current tax charge for the period	<u>-</u>	<u>-</u>

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 £614,656 (2014 - £623,933).

6 Exceptional item

Other operating income represents non-recurring profit and loss account items.

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 NOVEMBER 2015

7 Tangible fixed assets

	Freehold & long leasehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation				
At 3 November 2014	32,842,200	34,943,444	84,797	67,870,441
Additions	-	1,170,637	10,700	1,181,337
Disposals	(245,322)	-	-	(245,322)
At 1 November 2015	32,596,878	36,114,081	95,497	68,806,456
Depreciation				
At 3 November 2014	-	24,774,218	53,350	24,827,568
Charge for the period	-	1,655,068	7,864	1,662,932
At 1 November 2015	-	26,429,286	61,214	26,490,500
Net book value				
At 1 November 2015	32,596,878	9,684,795	34,283	42,315,956
At 2 November 2014	32,842,200	10,169,226	31,447	43,042,873

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £
Net book values	
At 1 November 2015	393,484
At 2 November 2014	437,205
Depreciation charge for the period	
At 1 November 2015	43,721
At 2 November 2014	-

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 £12,301,352 (2014 - £12,301,352) is £6,558,391 (2014 - £6,558,391).

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 NOVEMBER 2015

8 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 3 November 2014 & at 1 November 2015	1,370,777
Provisions for diminution in value	
At 3 November 2014 & at 1 November 2015	1,370,777
Net book value	
At 1 November 2015	-
At 2 November 2014	-

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	Class	Shares held %
Subsidiary undertakings			
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 2015 £	Profit/(loss) for the year 2015 £
Brioland Limited	Principal activity Dormant	-	-

9 Stocks

	2015 £	2014 £
Finished goods and goods for resale	258,290	223,535

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 NOVEMBER 2015

10 Debtors	2015 £	2014 £
Trade debtors	1,044,086	905,940
Other debtors	1,164,114	31,526
Prepayments and accrued income	608,612	604,876
	<u>2,816,812</u>	<u>1,542,342</u>
11 Creditors: amounts falling due within one year	2015 £	2014 £
Bank loans and overdrafts	2,000,000	2,250,000
Net obligations under hire purchase arrangements (secured)	75,800	71,200
Trade creditors	2,109,539	1,534,678
Deposits received in advance	1,038,244	826,248
Taxes and social security costs	769,374	728,939
Directors' current accounts	1,177,650	1,599,500
Other creditors	77,060	26,835
Other loans	250,000	340,000
Accruals and deferred income	500,374	460,171
	<u>7,998,041</u>	<u>7,837,571</u>

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

Other loans are secured by virtue of first legal charges on leasehold property.

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 NOVEMBER 2015

12 Creditors: amounts falling due after more than one year	2015 £	2014 £
Bank loan	13,000,000	14,250,000
Other loans	870,000	520,000
Net obligations under hire purchase arrangements (secured)	151,600	227,400
	<u>14,021,600</u>	<u>14,997,400</u>
Analysis of loans		
Wholly repayable within five years	16,120,000	17,360,000
	<u>16,120,000</u>	<u>17,360,000</u>
Included in current liabilities	(2,250,000)	(2,590,000)
	<u>13,870,000</u>	<u>14,770,000</u>
Loan maturity analysis		
In more than one year but not more than two years	13,250,000	2,380,000
In more than two years but not more than five years	620,000	12,390,000
	<u>13,870,000</u>	<u>14,770,000</u>
Net obligations under hire purchase arrangements		
Repayable within one year	66,650	71,200
Repayable between one and five years	151,600	227,400
	<u>218,250</u>	<u>298,600</u>
Included in liabilities falling due within one year	(75,800)	(71,200)
	<u>142,450</u>	<u>227,400</u>

The bank loan is repayable by quarterly instalments and comes to an end by 2017.

The other loans comprise two separate loans, which are repayable by five annual instalments and come to an end by 2019 and 2020 respectively.

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 NOVEMBER 2015

13 Provisions for liabilities

	Deferred tax liability £	Other provisions £	Total £
Balance at 3 November 2014	645,260	245,322	890,582
Unused amounts reversed during the period	213,831	(245,322)	(31,491)
Balance at 1 November 2015	<u>859,091</u>	<u>-</u>	<u>859,091</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	1,028,885	1,001,468
Tax losses available	(169,794)	(356,208)
	<u>859,091</u>	<u>645,260</u>

14 Pension costs

Defined contribution

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

	2015 £	2014 £
Contributions payable by the company for the period	<u>40,000</u>	<u>40,000</u>

15 Share capital

	2015 £	2014 £
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 1 NOVEMBER 2015

16 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 3 November 2014	5,742,961	15,389,193
Profit for the period	-	1,449,344
Balance at 1 November 2015	<u>5,742,961</u>	<u>16,838,537</u>

17 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial period	1,449,344	290,484
Opening Shareholders' funds	<u>21,142,154</u>	<u>20,851,670</u>
Closing Shareholders' funds	<u>22,591,498</u>	<u>21,142,154</u>

18 Financial commitments

At 1 November 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 1 November 2016:

	Land and buildings	
	2015 £	2014 £
Operating leases which expire: In over five years	<u>610,000</u>	<u>568,400</u>

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 NOVEMBER 2015

19 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	616,211	580,119
Company pension contributions to defined contribution schemes	40,000	40,000
	<u>656,211</u>	<u>620,119</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2014 - 4).

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

Remuneration for qualifying services	<u>337,801</u>	<u>341,735</u>
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Directors' emoluments include taxable benefits in kind.

20 Employees

Number of employees

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

	2015 Number	2014 Number
Management and administration	101	100
Hotel staff	380	356
	<u>481</u>	<u>456</u>

Employment costs	2015 £	2014 £
Wages and salaries	9,622,595	9,181,685
Social security costs	717,328	685,348
Other pension costs	40,000	40,000
	<u>10,379,923</u>	<u>9,907,033</u>

21 Control

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

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 NOVEMBER 2015

22 Related party relationships and transactions

Certain directors are trustees of the AB Hotels Limited Retirement Pension Scheme ("the scheme"). During the year rent amounting to £160,000 (2014 - £160,000) was paid to the scheme in respect of staff accommodation. Interest of £20,718 (2014 - £22,400) was paid to the scheme in respect of loans to the company and the balance outstanding on these loans at 1 November 2015 was £1,120,000 (2014 - £860,000).

Creditors falling due within one year include directors' loan account balances of £462,650 (2014 - £604,500) owed to Abraham Bejerano and £715,000 (2014 - £995,000) owed to V Bejerano.