

REGISTRAR

Company Registration No. 01467761 (England and Wales)

AB HOTELS LIMITED

ANNUAL REPORT

**FOR THE PERIOD ENDED
2 NOVEMBER 2014**

THURSDAY



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COMPANIES HOUSE

AB HOTELS LIMITED

COMPANY INFORMATION

Directors

Abraham Bejerano
V Bejerano
W B G Bauer
Alon Bejerano
R Bejerano

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

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 20

AB HOTELS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 2 NOVEMBER 2014

The directors present the strategic report and financial statements for the period ended 2 November 2014.

Review of the business

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

2014 was a good year for the company as a whole as record EBITDA levels were achieved. All 3 hotels show good growth year on year and this upward trend looks to be continuing. As the market starts to see the green shoots of a recovery, our investments in the hotels over the last few years should now start to bear fruit as we are in a much better position now to take advantage of a more positive economic outlook.

The Arch has built on the last few years of improvement as it heads towards its 5 year anniversary of the opening in early 2015. The hotel is showing great signs of stability both in performance and personnel. This, as one would expect, has led to outstanding financial results with happy customers and engaged and motivated employees. This was reflected in a number of industry awards and recognitions, culminating in being awarded a 5 star AA rating and a top 10 position out of over 1000 hotels in London on Trip Advisor. The team however are not standing still and are looking for even better results and ongoing success into 2015.

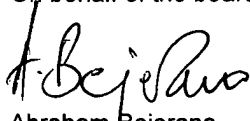
2014 was another year of considerable investment at Sopwell House as we progress our upward repositioning of the hotel with significant improvements to both the product and the service. This year saw one of the largest periods of investment into the hotel with 33 bedrooms being refurbished, together with 14 treatment rooms and the conference facilities also receiving a refurbishment overhaul improving the hotel's ambition to be positioned on 'another level'. Feedback has been very positive and the hotel was proudly awarded the 2015 Condé Nast Johansens Awards for Excellence in the category 'Best for Meetings', recognising their outstanding contribution to the corporate world. Over the next couple of years we should be drawing to a conclusion on the Sopwell upgrade and the model of success and stability being experienced at The Arch is the aim for the end of this period. All these refurbishments have had some impact on the revenue the hotel was in a position to generate during this financial period, but the benefits of them should be felt in higher rates and occupancy over the years to come.

The Crowne Plaza Resort Colchester is at last showing some more positive signs with the financials seemingly having turned the corner in an upward trend. Under the new management company and with greater input from our management team, we are slowly but surely starting to see a return on our investment of a few years ago. During the year we completed a refurbishment of our main wedding suite and another meeting room to complete the upgrade of the first floor meeting space. This should help to attract the much needed meetings and events market and aid further improvements in profitability in the coming years.

The steady low cost of borrowing has assisted us at the point of our maximum exposure with the completion of The Arch Hotel in 2010 and continues to date. In 2014 further repayments have been made towards paying off the borrowing and this will carry on over the coming years as the overall debt level continues to fall.

The Directors are looking forward to an even better 2015 with stability and profitability at the forefront of everyone's targets for the year ahead.

On behalf of the board


Abraham Bejerano
Director

10 February 2015

AB HOTELS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 2 NOVEMBER 2014

The directors present their report and financial statements for the period ended 2 November 2014.

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 28 October 2013:

Abraham Bejerano
V 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 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.

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.

AB HOTELS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 NOVEMBER 2014

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

10 February 2015

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 2 November 2014 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 2, 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 2 November 2014 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

10 February 2015

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT

AB HOTELS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 2 NOVEMBER 2014

		Period ended 2 November 2014 £	Period ended 27 October 2013 £
	Notes		
Turnover	2	24,785,822	22,170,480
Cost of sales		(11,857,818)	(10,947,747)
Gross profit		12,928,004	11,222,733
Administrative expenses		(12,091,849)	(11,188,887)
Operating profit	3	836,155	33,846
Interest payable and similar charges	4	(483,591)	(528,405)
Profit/(loss) on ordinary activities before taxation		352,564	(494,559)
Tax on profit/(loss) on ordinary activities	5	(62,080)	130,439
Profit/(loss) for the period	15	290,484	(364,120)

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 2 NOVEMBER 2014

		2 November 2014		27 October 2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		43,042,873		43,759,782
Current assets					
Stocks	8	223,535		212,039	
Debtors	9	1,542,342		1,441,631	
Cash at bank and in hand		58,957		795,191	
		1,824,834		2,448,861	
Creditors: amounts falling due within one year	10	(6,238,071)		(6,597,402)	
Net current liabilities			(4,413,237)		(4,148,541)
Total assets less current liabilities			38,629,636		39,611,241
Creditors: amounts falling due after more than one year	11		(16,596,900)		(17,931,069)
Provisions for liabilities	12		(890,582)		(828,502)
			21,142,154		20,851,670
Capital and reserves					
Called up share capital	14		10,000		10,000
Revaluation reserve	15		5,742,961		5,742,961
Profit and loss account	15		15,389,193		15,098,709
Shareholders' funds	16		21,142,154		20,851,670

Approved by the Board and authorised for issue on 10 February 2015


Abraham Bejerano
Director

Company Registration No. 01467761

AB HOTELS LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 2 NOVEMBER 2014

	Period ended 2 November 2014 £	Period ended 27 October 2013 £
Net cash inflow from operating activities	1,829,076	2,161,522
Returns on investments and servicing of finance		
Interest paid	(483,591)	(528,405)
Net cash outflow for returns on investments and servicing of finance	(483,591)	(528,405)
Capital expenditure		
Payments to acquire tangible assets	(599,750)	(679,313)
Receipts from sales of tangible assets	58,205	7,200
Net cash outflow for capital expenditure	(541,545)	(672,113)
Net cash inflow before management of liquid resources and financing	803,940	961,004
Financing		
Other new long term loans	650,000	-
Repayment of long term bank loan	(2,250,000)	(1,750,000)
Repayment of other long term loans	(430,000)	-
Capital element of hire purchase arrangements	(138,605)	-
Directors' loans	628,431	800,000
Net cash outflow from financing	(1,540,174)	(950,000)
Decrease in cash in the period	(736,234)	11,004

AB HOTELS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 2 NOVEMBER 2014

1 Reconciliation of operating profit to net cash outflow from operating activities	2014	2013
	£	£
Operating profit	836,155	33,846
Depreciation of tangible assets	1,706,183	1,999,901
Profit on disposal of tangible assets	(10,524)	(4,416)
Increase in stocks	(11,496)	(32,507)
(Increase)/decrease in debtors	(100,711)	18,879
(Decrease)/Increase in creditors within one year	(590,531)	145,819
Net cash inflow from operating activities	1,829,076	2,161,522

2 Analysis of net debt	28 October 2013	Cash flow	Other non-cash changes	2 November 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	795,191	(736,234)	-	58,957
Debt:				
Hire purchase arrangements	-	138,605	(437,205)	(298,600)
Debts falling due within one year	(2,430,000)	(160,000)	-	(2,590,000)
Debts falling due after one year	(17,931,069)	1,561,569	-	(16,369,500)
	(20,361,069)	1,540,174	(437,205)	(19,258,100)
Net debt	(19,565,878)	803,940	(437,205)	(19,199,143)

3 Reconciliation of net cash flow to movement in net debt	2014	2013
	£	£
(Decrease)/increase in cash in the period	(736,234)	11,004
Cash outflow from decrease in debt and hire purchase arrangements	1,540,174	950,000
Change in net debt resulting from cash flows	803,940	961,004
New hire purchase arrangements	(437,205)	-
Movement in net debt in the period	366,735	961,004
Opening net debt	(19,565,878)	(20,526,882)
Closing net debt	(19,199,143)	(19,565,878)

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 NOVEMBER 2014

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 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:

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 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.

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 NOVEMBER 2014

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	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,706,183	1,999,901
Operating lease rentals	568,400	535,111
and after crediting:		
Profit on disposal of tangible assets	(10,524)	(4,416)

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	20,000	17,000
Other services	5,000	5,000
	25,000	22,000

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 NOVEMBER 2014

4	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	461,191	506,005
	On other loans	22,400	22,400
		<u>483,591</u>	<u>528,405</u>
5	Taxation	2014	2013
		£	£
	Total current tax	-	-
	Deferred tax		
	Origination and reversal of timing differences	62,080	(130,439)
		<u>62,080</u>	<u>(130,439)</u>
	Factors affecting the tax charge for the period		
	Profit/(loss) on ordinary activities before taxation	352,564	(494,559)
		<u>352,564</u>	<u>(494,559)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2013 - 23.00%)	74,038	(113,749)
		<u>74,038</u>	<u>(113,749)</u>
	Effects of:		
	Non deductible expenses	2,874	4,806
	Depreciation add back	358,298	459,977
	Capital allowances	(366,151)	(392,383)
	Unrelieved tax losses	-	41,349
	Tax losses utilised	(69,059)	-
		<u>(74,038)</u>	<u>113,749</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 £623,933 (2013- £686,474).

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 NOVEMBER 2014

6 Tangible fixed assets

	Freehold & long leasehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation				
At 28 October 2013	32,824,722	34,241,829	84,797	67,151,348
Additions	17,478	1,019,477	-	1,036,955
Disposals	-	(317,862)	-	(317,862)
At 2 November 2014	32,842,200	34,943,444	84,797	67,870,441
Depreciation				
At 28 October 2013	-	23,348,699	42,867	23,391,566
On disposals	-	(270,181)	-	(270,181)
Charge for the period	-	1,695,700	10,483	1,706,183
At 2 November 2014	-	24,774,218	53,350	24,827,568
Net book value				
At 2 November 2014	32,842,200	10,169,226	31,447	43,042,873
At 27 October 2013	32,824,722	10,893,130	41,930	43,759,782

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

	Fixtures, fittings & equipment £
Net book values	
At 2 November 2014	437,205
Depreciation charge for the period	
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 (2013 - £12,283,874) is £6,558,391 (2013 - £6,540,913).

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 NOVEMBER 2014

7 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 28 October 2013 & at 2 November 2014	1,370,777
Provisions for diminution in value	
At 28 October 2013 & at 2 November 2014	1,370,777
Net book value	
At 2 November 2014	-
At 27 October 2013	-

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 2014 £	Profit/(loss) for the year 2014 £
Brioland Limited	Principal activity Dormant	-	-

8	Stocks	2014 £	2013 £
	Finished goods and goods for resale	223,535	212,039

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 NOVEMBER 2014

9	Debtors	2014	2013
		£	£
	Trade debtors	905,940	736,388
	Other debtors	31,526	114,613
	Prepayments and accrued income	604,876	590,630
		<u>1,542,342</u>	<u>1,441,631</u>
10	Creditors: amounts falling due within one year	2014	2013
		£	£
	Bank loans and overdrafts	2,250,000	2,000,000
	Net obligations under hire purchase arrangements	71,200	-
	Trade creditors	1,534,678	2,239,747
	Deposits received in advance	826,248	625,405
	Taxes and social security costs	728,939	766,327
	Other creditors	26,835	44,485
	Other loans	340,000	430,000
	Accruals and deferred income	460,171	491,438
		<u>6,238,071</u>	<u>6,597,402</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 2 NOVEMBER 2014

11 Creditors: amounts falling due after more than one year	2014 £	2013 £
Bank loans	14,250,000	16,750,000
Other loans	520,000	210,000
Net obligations under hire purchase arrangements	227,400	-
Directors' loan accounts	1,599,500	971,069
	<u>16,596,900</u>	<u>17,931,069</u>
Analysis of loans		
Wholly repayable within five years	17,360,000	19,390,000
	<u>17,360,000</u>	<u>19,390,000</u>
Included in current liabilities	(2,590,000)	(2,430,000)
	<u>14,770,000</u>	<u>16,960,000</u>
Loan maturity analysis		
In more than one year but not more than two years	2,380,000	2,500,000
In more than two years but not more than five years	12,390,000	14,460,000
	<u>12,390,000</u>	<u>14,460,000</u>
Net obligations under hire purchase arrangements		
Repayable within one year	71,200	-
Repayable between one and five years	227,400	-
	<u>298,600</u>	<u>-</u>
Included in liabilities falling due within one year	(71,200)	-
	<u>227,400</u>	<u>-</u>

The bank loans are repayable by quarterly instalments and come to an end by 2015 or 2017 respectively.

The other loans referred to above comprise two separate loans of £210,000 and £650,000. The £210,000 loan is repayable as a single instalment in October 2015. The £650,000 loan is repayable by five annual instalments of £130,000 commencing October 2015.

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 NOVEMBER 2014

12 Provisions for liabilities

	Deferred tax liability £	Other provisions £	Total £
Balance at 28 October 2013	583,180	245,322	828,502
Profit and loss account	62,080	-	62,080
Balance at 2 November 2014	<u>645,260</u>	<u>245,322</u>	<u>890,582</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	1,001,468	1,026,259
Tax losses available	(356,208)	(443,079)
	<u>645,260</u>	<u>583,180</u>

13 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.

	2014 £	2013 £
Contributions payable by the company for the period	<u>40,000</u>	<u>40,000</u>

14 Share capital

	2014 £	2013 £
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 2 NOVEMBER 2014

15 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 28 October 2013	5,742,961	15,098,709
Profit for the period	-	290,484
Balance at 2 November 2014	<u>5,742,961</u>	<u>15,389,193</u>

16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit/(Loss) for the financial period	290,484	(364,120)
Opening shareholders' funds	<u>20,851,670</u>	<u>21,215,790</u>
Closing shareholders' funds	<u>21,142,154</u>	<u>20,851,670</u>

17 Financial commitments

At 2 November 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 2 November 2015:

	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Within one year	-	41,667
In over five years	<u>568,400</u>	<u>408,400</u>
	<u>568,400</u>	<u>450,067</u>

AB HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 NOVEMBER 2014

18 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	580,119	649,140
Company pension contributions to defined contribution schemes	40,000	40,000
	<u>620,119</u>	<u>689,140</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2013 - 4).

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

Remuneration for qualifying services	<u>341,735</u>	<u>391,297</u>
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Directors' emoluments include taxable benefits in kind.

19 Employees

Number of employees

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

	2014 Number	2013 Number
Management and administration	100	92
Hotel staff	356	330
	<u>456</u>	<u>422</u>

Employment costs

	2014 £	2013 £
Wages and salaries	9,181,685	8,533,282
Social security costs	685,348	651,879
Other pension costs	40,000	40,000
	<u>9,907,033</u>	<u>9,225,161</u>

20 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 2 NOVEMBER 2014

21 Related party relationships and transactions

During the year rent amounting to £160,000 (2013 - £125,000) was paid to the AB Hotels Limited Retirement Pension Scheme in respect of staff accommodation. Interest of £22,400 (2013 - £22,400) was paid to the AB Hotels Limited Retirement Pension Scheme in respect of loans to the company and the balance outstanding on these loans at 2 November 2014 was £860,000 (2013 - £640,000).

Creditors falling due after more than one year include directors' loan account balances of £604,500 (2013 - £301,069) owed to Abraham Bejerano and £995,000 (2013 - £670,000) owed to V Bejerano.