Company Registration No. 02724522 (England and Wales)

CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION

Directors	M C Foster M O'Donoghue M S Sutton
Secretary	M S Sutton
Company number	02724522
Registered office	62 Castle Street Liverpool England L2 7LQ
Auditors	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
Bankers	Allied Irish Bank (GB) 1 St Paul's Square Old Hall Street Liverpool L3 9PP

CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Review of the business

Holiday Inn Ellesmere Port / Cheshire Oaks
In 2015 the hotel performed well under new local management and delivered strong results against the budgetary target and the 2014 result. The room's revenue performance was strong with occupancy growing on the previous year's levels and average room rate up by 5.8% on 2014 and exceeding budget by 8.21%. The combination of these elements meant room revenues increased by 8.1% on the prior year and up on the budget by 10.6%. Food and beverage was a much improved performance on 2014. While there were similar numbers of weddings to that of previous years, the overall spend per wedding was significantly higher with a focused re-alignment of product offering. All other revenue streams were as expected at the budgeted levels although the leisure and fitness market continues to be competitive in the local market. Total revenues delivered a growth on 2014 of 8.3 % driven out of improved revenue management and some local automotive related contracted business.

Direct costs and payroll were aligned to budgetary controls despite the payroll being impacted by statutory minimum wage increases of 3.00%, auto-enrolment pension's employer contribution at 1.00% and annual pay increases. Overheads were impacted by increased commission costs of third party intermediaries all other expense lines were as expected.

Early 2016 result are promising. Quarter 1 results are in line with the budgetary target and room revenue strategies continue to deliver strong results based upon high demand and strategic pricing. Food and beverage revenues are on target as are payroll and overheads and therefore it is expected that the initial year end projections will be achieved. The introduction of the new national living wage in April 2016 will impact on payroll costs.

Holiday Inn Express Liverpool Albert Dock
The hotel delivered a strong performance in 2015 a continuation of the 2014 results driven out of a combination of increased occupancy and achieved rate mainly through high demand corporate and leisure periods. Liverpool had a large of number of city wide events which helped drive significant levels of business into the hotel particularly the Cunard Cruise event and European football. Liverpool continues to grow as a tourist destination both domestic and internationally and its proximity to the Liverpool Arena and Convention Centre contributes significantly to its rooms revenue strategy. The hotel was able to deliver an increase in room rate of 2.1% over the 2014 levels and exceeded its overall revenue budget by 4.2%. Revenue management principles are adopted to manage demand but maximise rate rather than compete on price with the ever increasing numbers of budget/ limited service hotels within the local vicinity.

Directs costs achieved the required margin and payroll continues to perform at circa 20.2% of revenues despite the payroll being impacted by statutory minimum wage increases of 3.00%, auto-enrolment pension's employer contribution at 1.00% and annual pay increases. Overheads were impacted by increased commission costs of third party intermediaries all other expense lines were as expected.

Quarter 1 2016 is currently on line with budgeted target. Occupancy and room rate remain on budgetary target. Forecast EBITDA is tracking the budget and showing similar to 2015. The introduction of the new national living wage in April 2016 will impact on payroll costs.

On behalf of the board

....
M C Foster
Director
30/06/16
....

CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities
The principal activity of the company during the year was the operation of hotels.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M C Foster
M O'Donoghue
M S Sutton

Results and dividends
The results for the year are set out on page 5. No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Future developments
Details are given above in the Strategic Report.

Financial risk management objectives and policies
Investments of cash surpluses, borrowing and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

The group of which the company is a member manages its cash and borrowing requirements centrally in order to maximise interest income and minimise interest expense whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Auditor
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor
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

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M C Foster
Director
20/06/16

CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Strategic Report and 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

We have audited the financial statements on pages 5 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As more fully explained 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

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 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

RSM UK Audit LLP

Jonathan Lowe (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF
21/6/16

CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	5,752,427	5,372,796
Cost of sales		(475,179)	(453,111)
Gross profit		5,277,248	4,919,685
Administrative expenses		(4,147,762)	(3,873,268)
Exceptional item	4	(2,610,000)	-
Operating (loss)/profit	5	(1,480,514)	1,046,417
Interest payable and similar charges	7	(327,586)	(327,223)
(Loss)/profit on ordinary activities before taxation		(1,808,100)	719,194
Taxation	8	(164,797)	(150,793)
(Loss)/profit for the financial year	19	(1,972,897)	568,401
Other comprehensive income			
Revaluation of tangible fixed assets		2,020,450	-
Tax relating to other comprehensive income		(247,837)	-
Total comprehensive income for the year		(200,284)	568,401

The income statement has been prepared on the basis that all operations are continuing operations.

Company Registration No. 02724522

CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	9		18,350,000		16,161,697
Current assets					
Stocks	10	19,793		20,869	
Debtors	11	2,000,219		4,632,968	
Cash at bank and in hand		559,328		75,206	
		2,579,340		4,729,043	
Creditors: amounts falling due within one year	12	(2,992,146)		(2,547,895)	
Net current (liabilities)/assets			(412,806)		2,181,148
Total assets less current liabilities			17,937,194		18,342,845
Creditors: amounts falling due after more than one year	13		(7,952,981)		(8,425,303)
Provisions for liabilities	16		(1,387,583)		(1,120,628)
Net assets			8,596,630		8,796,914
Capital and reserves					
Called up share capital	18		200		200
Share premium account	19		99,850		99,850
Revaluation reserve	19		6,406,378		4,633,765
Profit and loss reserves	19		2,090,202		4,063,099
Total equity			8,596,630		8,796,914

The financial statements were approved by the board of directors and authorised for issue on 30/06/16 and are signed on its behalf by:

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M C Foster
Director

CENTRE ISLAND DEVELOPMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		200	99,850	4,633,765	3,494,698	8,228,513
Year ended 31 December 2014:						
Profit and total comprehensive income for the year		-	-	-	568,401	568,401
Balance at 31 December 2014		200	99,850	4,633,765	4,063,099	8,796,914
Year ended 31 December 2015:						
Profit for the year		-	-	-	(1,972,897)	(1,972,897)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	2,020,450	-	2,020,450
Tax relating to other comprehensive income		-	-	(247,837)	-	(247,837)
Total comprehensive income for the year		-	-	1,772,613	(1,972,897)	(200,284)
Balance at 31 December 2015		200	99,850	6,406,378	2,090,202	8,596,630

1 *Accounting policies*

Company information
Centre Island Development Company Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 62 Castle Street, Liverpool, England, L2 7LQ. The company's principal activities are disclosed in the Directors' Report.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of leasehold properties. The principal accounting policies adopted are set out below.

Transition to FRS102
These financial statements are the first financial statements of Centre Island Development Company Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Centre Island Development Company Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

Reconciliations and descriptions of the effect of the transition to FRS 102 on (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given in note 24.

Reduced disclosures
The company is a qualifying entity under the FRS 102 Reduced Disclosure Framework and has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 ' Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Centre Island Hotels Limited. The consolidated financial statements of Centre Island Hotels Limited are available from its registered office, 62 Castle Street, Liverpool, England L2 7LQ.

1 Accounting policies (Continued)

Going concern

The company made a loss in the year (after the exceptional item detailed in notes 2 and 4) and ended the year with net current liabilities.

The company is a wholly-owned subsidiary of Centre Island Hotels Limited. The Centre Island Hotels Limited group has net assets of £37.1m (2014: £25.9m) and operates a group overdraft facility sufficient to meet its subsidiaries' working capital requirements for the foreseeable future.

The directors have received confirmation from Centre Island Hotels Limited that it will continue to support the company through its loan account for a period of at least twelve months from the date that the accounts are signed.

The company has banking facilities in place with Allied Irish Bank Plc. These are included within facilities for the Centre Island Hotels group and comprise a term loan repayable by 31 March 2017.

Discussions have taken place with various lenders in regards to the group's funding requirements in 2017 and the directors are confident that funding will be achieved in advance of this date.

The directors are therefore satisfied that the company is a going concern and that it remains appropriate to prepare these financial statements on a going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business and is shown net of trade discounts and Value Added Tax. All revenue is recognised during the period in which the goods or services are provided.

Tangible fixed assets

All fixed assets are initially recorded at cost and are stated net of depreciation and any provision for impairment except where noted below. Land and buildings are stated at valuation.

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Long leasehold land and buildings	unexpired term of lease (where less than 50 years)
Fixtures, fittings and equipment	3-12 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

Depreciation is not provided on leasehold buildings where the term of the lease is more than 50 years, as it is not material, nor on land. In accordance with FRS102, an impairment review is performed on such assets. Where the results of this review demonstrate that the recoverable amounts of these assets are less than the relevant carrying amount in the financial statements a full provision is made for such a shortfall.

1 Accounting policies (Continued)

Expenditure on repairs and renewals is charged to the profit and loss account at the time of expenditure. Major refurbishment projects forming part of the planned programme of maintaining the properties in a good state of repair are capitalised at cost under the appropriate asset category and depreciated in accordance with the accounting policy. Any net book value attributable to the asset being replaced is written off to the profit and loss account when refurbishment takes place.

Impairment of fixed assets
At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1 Accounting policies (Continued)

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are not taxable or deductible, or that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The main judgements applied in preparing these financial statements concern the carrying value of amounts recoverable from group undertakings and the carrying value of the company's leasehold land and buildings including the rate of depreciation applied to its fixtures, fittings and equipment. The basis on which these items have been reflected in these financial statements is set out in notes 4 and 9 respectively.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015	2014
	£	£
Turnover analysed by class of business		
Operation of a hotel	5,752,427	5,372,796

Turnover analysed by geographical market

	2015	2014
	£	£
United Kingdom	5,752,427	5,372,796

No further analysis of turnover is given because, in the opinion of the directors, this information is commercially sensitive and its disclosure would be seriously prejudicial to the interests of the company.

4 Exceptional costs

	2015	2014
	£	£
Provision against amount due from fellow group undertaking	2,610,000	-

During the year, the directors reassessed the recoverable value of the loan owed from a fellow group company. As a result of this review, a doubtful debt expense totalling £2,610,000 has been charged in the year, representing the excess of the carrying value of amounts owed over the future cash inflows arising from the fellow group company.

5 Operating (loss)/profit

	2015	2014
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	6,575	5,800
Depreciation of owned tangible fixed assets	77,433	67,980
Depreciation of tangible fixed assets held under finance leases	7,441	6,200
Cost of stocks recognised as an expense	434,978	422,417
Operating lease charges	302,736	293,563

6 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was:

	2015	2014
	Number	Number
Operations staff	65	68
Administrative staff	5	5
	70	73

Their aggregate remuneration comprised:

	2015	2014
	£	£
Wages and salaries	1,396,944	1,323,959
Social security costs	65,707	49,718
Pension costs	12,659	9,769
	1,475,310	1,383,446

The directors received no remuneration from the company and accrued no retirement benefits under money purchase pension schemes in either the current or previous year.

7 Interest payable and similar charges

	2015	2014
	£	£
Interest on bank overdrafts and loans	325,830	325,797
Interest on finance leases and hire purchase contracts	1,756	1,426
	327,586	327,223

8 Taxation

	2015	2014
	£	£
Current tax		
UK corporation tax on profits for the current period	145,679	138,474
Adjustments in respect of prior periods	-	(7,685)
Total current tax	145,679	130,789
Deferred tax		
Origination and reversal of timing differences	19,118	20,004
Total tax charge	164,797	150,793

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2015	2014
	£	£
(Loss)/profit before taxation	(1,808,100)	719,194
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 21.00%)	(366,140)	151,031
Tax effect of expenses that are not deductible in determining taxable profit	533,317	8,941
Adjustments in respect of prior years	-	(7,685)
Deferred tax adjustments in respect of prior years	(4,194)	(1,494)
Adjust deferred tax to average rate	1,814	-
Tax expense for the year	164,797	150,793

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2015	2014
	£	£
Deferred tax arising on:		
Revaluation of property	247,837	-

Factors that may affect future tax charges

Under legislation substantively enacted on 26 October 2015, the main rate of corporation tax will be reduced to 19% from 1 April 2017 and to 18% from 1 April 2020.

9 Tangible fixed assets

	Long leasehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2015	15,889,314	6,266,250	7,394	22,162,958
Additions	-	252,727	-	252,727
Revaluation	2,020,450	-	-	2,020,450
At 31 December 2015	17,909,764	6,518,977	7,394	24,436,135
Depreciation and impairment				
At 1 January 2015	-	5,993,867	7,394	6,001,261
Depreciation charged in the year	-	84,874	-	84,874
At 31 December 2015	-	6,078,741	7,394	6,086,135
Carrying amount				
At 31 December 2015	17,909,764	440,236	-	18,350,000
At 31 December 2014	15,889,314	272,383	-	16,161,697

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £7,441 (2014 - £6,200) for the year.

	2015	2014
	£	£
Fixtures, fittings and equipment	12,748	20,189

The hotels were independently valued at £18.35m by Lambert Smith Hampton, Chartered Surveyors, on an open market basis as at 30 November 2015. In the opinion of the directors, there has been no material change in value since this date. The valuations were carried out by desktop review, taking into account the results and financial positions of the hotels and recent transactions in the hotel sector.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2015	2014
	£	£
Cost	10,097,108	10,097,108
Accumulated depreciation	-	-
Carrying value	10,097,108	10,097,108

10 Stocks

	2015	2014
	£	£
Food, beverage and supplies	19,793	20,869

11 Debtors

	2015	2014
Amounts falling due within one year:	£	£
Trade debtors	89,251	84,072
Amounts due from fellow group undertakings	1,711,037	4,321,037
Prepayments and accrued income	199,931	227,859
	2,000,219	4,632,968

12 Creditors: amounts falling due within one year

	Notes	2015	2014
		£	£
Bank loans and overdrafts	14	434,215	173,704
Obligations under finance leases	15	3,992	8,753
Trade creditors		495,180	508,703
Amounts due to group undertakings		1,398,125	1,398,125
Corporation tax		145,679	136,714
Other taxation and social security		159,941	219,997
Other creditors		2,845	730
Accruals and deferred income		352,169	101,169
		2,992,146	2,547,895

13 Creditors: amounts falling due after more than one year

	Notes	2015	2014
		£	£
Bank loans and overdrafts	14	7,951,504	8,419,239
Obligations under finance leases	15	1,477	6,064
		7,952,981	8,425,303

14 Borrowings

	2015	2014
	£	£
Bank loans	8,385,719	8,592,943
Payable within one year	434,215	173,704
Payable after one year	7,951,504	8,419,239

Borrowings reflect the company's share of a group facility. The group facility was renewed on 19 November 2013 and comprises loans totalling £50m. In common with most such arrangements since the implementation of new capital adequacy rules in the banking sector, the period of the loans is three years and the facility will be due for renewal on 31 March 2017. No repayments were made during 2014. Quarterly repayments of £250,000 were made during 2015. Quarterly repayments of £625,000 will be made during 2016. Interest is charged at LIBOR + 3.25% and is payable quarterly.

15 Finance lease obligations

	2015	2014
Future minimum lease payments due under finance leases:	£	£
Less than one year	4,802	11,104
Between one and five years	1,800	6,602
	6,602	17,706
Less: future finance charges	(1,133)	(2,889)
	5,469	14,817

Obligations under finance leases are secured on the related assets.

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015	Liabilities 2014
Balances:	£	£
Fixed asset timing differences	1,387,658	1,120,887
Short term timing differences	(75)	(259)
	1,387,583	1,120,628

16 Deferred taxation (Continued)

Movements in the year:	2015 £
Liability at 1 January 2015	1,120,628
Charge to profit or loss	14,912
Charge to other comprehensive income	363,681
Effect of change in tax rate - profit or loss	4,206
Effect of change in tax rate - other comprehensive income	(115,844)
Liability at 31 December 2015	1,387,583

Of the deferred tax asset set out above, approximately £6,000 is expected to reverse within 12 months as taxation allowances claimed on the underlying assets exceed depreciation charged in the period.

17 Retirement benefit schemes

Defined contribution schemes
The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £12,659 (2014 - £9,769). Outstanding pension contributions of £139 (2014: £1,015) are included in accruals and deferred income.

18 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
200 Ordinary shares of £1 each	200	200

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

19 Reserves

Share premium
Share premium reflects consideration for shares issued above their nominal value, net of transaction costs.

Revaluation reserve
The revaluation reserve reflects revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss, net of tax.

Profit and loss reserves
The profit and loss reserves reflect cumulative profit and losses net of distributions to members.

20 Financial commitments, guarantees and contingent liabilities

The company's bankers hold a composite guarantee and indemnity covering all sums due from Centre Island Hotels Limited, Centre Island Preston Limited, Centre Island Birmingham Limited, Centre Island Development Company Limited, Centre Island Development Company (1997) Limited, Bestissue Limited, Centre Island Albert Dock Limited, Centre Island Management Limited and H. I. Lime Street Limited. At the year end the total potential group liability stood at £46,823,976 (2014 - £49,157,613).

21 Operating lease commitments

Lessee

Operating lease payments reflect rentals payable by the company, including related service charges, for the long leasehold land and buildings from which it undertakes its principal activity.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015	2014
	£	£
Within one year	302,736	302,736
Between two and five years	1,210,945	1,210,945
In over five years	17,382,114	17,684,850
	18,895,795	19,198,531

22 Related party transactions

Administrative expenses include management charges made by the company's parent company. These charges include contributions towards the costs of remunerating key management personnel but the amounts involved are not separately identifiable.

23 Controlling party

The immediate parent company is Centre Island Hotels Limited, a company incorporated in the United Kingdom and registered in England and Wales. Centre Island Hotels Limited heads the largest and smallest group in which the results of the company are consolidated. Its consolidated financial statements are available from its registered office, 62 Castle Street, Liverpool, England L2 7LQ. The ultimate controlling party is Travan Services Limited, a company incorporated in the Isle of Man.

24 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 Jan 2014 £	At 31 Dec 2014 £
Equity as reported under previous UK GAAP		9,386,954	9,955,355
Deferred tax on revaluations	(a)	(1,158,441)	(1,158,441)
Equity reported under FRS 102		8,228,513	8,796,914

Reconciliation of profit or loss

	Notes	2014 £
Profit or loss as reported under previous UK GAAP and under FRS 102		568,401

Notes to reconciliations on adoption of FRS 102

(a) Deferred tax on revaluations
Deferred tax has been provided on cumulative long leasehold land and buildings revaluation gains recognised to 1 January 2014. The company has no intention of selling the related assets so no provision for deferred tax was required under previous GAAP.