

COMPANY REGISTRATION NUMBER: 02166057

Como Holdings (UK) Limited and subsidiary undertakings
Financial Statements
31 December 2015



Como Holdings (UK) Limited and subsidiary undertakings

Strategic Report

Year Ended 31 December 2015

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Como Holdings (UK) Limited and subsidiary undertakings

Strategic Report

Year Ended 31 December 2015

The strategic plan is being delivered in all areas of the business to:

- Maintain and strengthen our position in the distribution and hospitality market;
- Maintain our financial performance to maximise profit margin through increased sales and review of operating costs.

The group plans to achieve these objectives, whilst remaining true to the key tenets of independence, transparency and innovation.

The group achieved an improvement in its trading results compared to the year ended 31 December 2014 after having undergone extensive restructuring process of its subsidiary entities, indicating the group has a solid platform on which to execute further planned growth for the foreseeable future.

Review of business

The principal activities of the group is of a distributor and hotelier. The group has traded at a profit.

Key performance indicators

Annual group turnover for the year remained unchanged at £8.0million (2014: £8.0million).

Other operating income increased by 444% to £5.8million (2014: £1.1million) due to a receipt on a lease premium of a lease assigned in earlier period and receipt of refunds and net impact of writing off historic balances which are no longer deemed payable or receivable for subsidiaries terminating their operating activities.

Group operating profit for the year ended 31 December 2015 improved significantly by 577% to £4.7million (2014:£0.7million). This was due to the net impact of the increased other operating income as set out above.

As at 31 December 2015 the group had net liabilities of £9.7million (2014: £7.4million).

The directors believe that the results will improve in the ensuing years.

Payment of creditors

It is group policy to settle all debts with its creditors on a timely basis, taking account of the credit period given by each supplier.

Principal risks and uncertainties

Competitive risks

The group operates at the upper end of a competitive distribution and hospitality market in the UK. Risks are possible from either new competitor openings, existing competitors investing in product refurbishments or changes in consumer demand. The group manages this risk by a programme of continuous refurbishment, advertising and marketing to manage consumer interest, and above all excellent customer service.

Como Holdings (UK) Limited and subsidiary undertakings

Strategic Report *(continued)*

Year Ended 31 December 2015

Economic risks

The hotel, restaurant and distribution businesses are all reliant on healthy economies in all its major markets, being the UK, USA and Europe. The group manages this risk by diversification and reducing the reliance on any one market.

Exchange rate risks

An element of the group's revenues and costs is dependent on non UK based businesses and suppliers and therefore the exchange rates of major currencies (specifically US Dollars and Euros) are potentially a risk to the business. The group manages this risk by building a natural hedge of Euro and US Dollar denominated sales and purchases.

This report was approved by the board of directors on 31 January 2017 and signed on behalf of the board by:



Mr A C Roberts
Director

Registered office:
4th Floor
239 Kensington High Street
London
UK
W8 6SA

Como Holdings (UK) Limited and subsidiary undertakings

Directors' Report

Year Ended 31 December 2015

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

Directors

The directors who served the company during the year were as follows:

Mr V Sodhy

Mr A C Roberts

Dividends

The directors recommended dividend payments to the group's ultimate parent company of £10million (2014: £nil) to be distributed from its accumulated profit and loss account as detailed under note 14 to this financial statements. During the year the company, Como Holdings (UK) Ltd also received dividend income from its subsidiary undertakings totalling £9.3million (2014: £nil). This was transferred into the comprehensive income account.

Future Developments

The group's strategic plan on key areas of the business is as follows:

- * Maintain and strengthen our position in the hospitality market.
- * Grow the organisation sustainable in both the development and expansion of existing hospitality brands.
- * Maintain our financial performance to maximise profit margin through increased sales and review of operating costs.
- * As detailed under note 32, the franchise agreement between Giorgio Armani SPA and Orthet Limited will terminate on 31st January 2017 as per agreement signed in August 2016. The trading activities of the stores will cease from 31st January 2017.
- * As detailed under note 32, during the post year end date share investment held by the company in Halkin Hotel Limited was sold to the group's immediate parent undertaking, Adobe Partners Limited at par value on 15 April 2016.

The group plans to achieve these objectives, whilst remaining true to the key tenets of independence, transparency and innovation.

The group has experienced a challenging year but has a solid platform on which to execute further planned growth.

Going concern

The directors are of the opinion that the group can operate as a going concern based on expected cashflows and support from immediate parent undertaking, Adobe Partners Limited.

Employee Involvement

The necessity for and the importance of communication and relations with all employees is recognised throughout the group. Employees are encouraged to discuss factors and concerns affecting the group with management. Employees are informed regularly of the group's activities and suggestions aimed at improving the group's performance are encouraged.

Disclosure of Information in the Strategic Report

In accordance with the section 414c (ii) of the Companies Act and included in the Strategic Report is the review of the business, principal risks and key performance indicators. This information would have been required by schedule 7 of the "Large and Medium sized Companies and Group (Accounts and Reports) Regulations 2008" to be contained in the Directors' report.

Como Holdings (UK) Limited and subsidiary undertakings

Directors Report *(continued)*

Year Ended 31 December 2015

Directors' Responsibilities Statement

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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group and 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

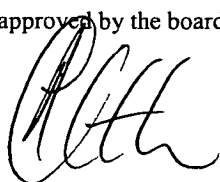
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated its willingness to continue as auditors.

Statement as to Disclosure of Information to Auditors

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report was approved by the board of directors on 31 January 2017, and signed on behalf of the board by:

Mr A C Roberts
Director



Registered office:
4th Floor
239 Kensington High Street
London, W8 6SA

Como Holdings (UK) Limited and subsidiary undertakings

Independent Auditor's Report to the Shareholders of Como Holdings (UK) Limited and subsidiary undertakings

Year Ended 31 December 2015

Opinion on financial statements

We have audited the group and parent company financial statements (the “financial statements”) on pages 7 to 37. 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 FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and parent company’s affairs as at 31 December 2015 and of the group’s profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 by the parent company , or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors’ Responsibilities Statement set out on page 4, 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.

Como Holdings (UK) Limited and subsidiary undertakings

Independent Auditor's Report to the Shareholders of Como Holdings (UK) Limited and subsidiary undertakings

Year Ended 31 December 2015

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.

RSM UK Audit LLP

Suneel Gupta (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountant

25 Farringdon Street

London

EC4A 4AB

1 February 2017.

Como Holdings (UK) Limited and subsidiary undertakings

Consolidated Income Statement

Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	7,994,940	7,985,066
Cost of sales		(921,575)	(887,373)
Gross Profit		<u>7,073,365</u>	<u>7,097,693</u>
Administrative expenses		(8,079,474)	(7,453,617)
Other operating income	4	<u>5,751,006</u>	<u>1,056,906</u>
Operating Profit	5	4,744,897	700,982
Interest receivable and similar income	10	965,036	653,966
Interest payable and similar charges	11	<u>(430,904)</u>	<u>(666,939)</u>
Profit on Ordinary Activities Before Taxation		5,279,029	688,009
Tax on profit on ordinary activities	12	<u>11,696</u>	<u>(259,503)</u>
Profit for the Financial Year		<u><u>5,290,725</u></u>	<u><u>428,505</u></u>

The notes on pages 14 to 37 form part of these financial statements.

Como Holdings (UK) Limited and subsidiary undertakings

Consolidated Statement of Comprehensive Income

Year Ended 31 December 2015

	2015	2014
	£	£
Profit for the financial year	5,290,725	428,505
Revaluation of tangible assets	2,375,694	331,114
Total Comprehensive Income for the Year	<u>7,666,419</u>	<u>759,620</u>

The notes on pages 14 to 37 form part of these financial statements.

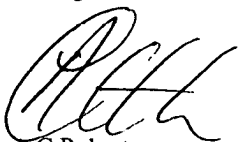
Como Holdings (UK) Limited and subsidiary undertakings

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed Assets					
Tangible assets	15		31,360,915		29,167,970
Current Assets					
Stocks	18	435,901		442,036	
Debtors due within one year	19	2,887,009		38,345,022	
Debtors due after more than one year	19	47,105		35,409	
Cash at bank and in hand		1,485,995		2,522,622	
		<u>4,856,010</u>		<u>41,345,089</u>	
Creditors: amounts falling due within one year	21	<u>(23,664,439)</u>		<u>(56,898,238)</u>	
Net Current Liabilities			<u>(18,808,429)</u>		<u>(15,553,149)</u>
Total Assets Less Current Liabilities			<u>12,552,486</u>		<u>13,614,821</u>
Creditors: amounts falling due after more than one year	21		(21,031,595)		(21,009,849)
Provision for Liabilities	24		<u>(1,249,500)</u>		-
Net Liabilities			<u><u>(9,728,609)</u></u>		<u><u>(7,395,028)</u></u>
Capital and Reserves					
Called-up equity share capital	29		100		100
Revaluation Reserve	30		9,503,072		7,127,378
Profit and Loss account	30		<u>(19,794,005)</u>		<u>(15,084,730)</u>
Shareholders Deficit			<u>(10,290,833)</u>		<u>(7,957,252)</u>
Minority Interests			<u>562,224</u>		<u>562,224</u>
Total Capital Employed			<u><u>(9,728,609)</u></u>		<u><u>(7,395,028)</u></u>

These financial statements were approved by the board of directors and authorised for issue on 31 January 2017, and are signed on behalf of the board by:



Mr A C Roberts
Director

Company registration number: 02166057

The notes on pages 14 to 37 form part of these financial statements.

Como Holdings (UK) Limited and subsidiary undertakings

Company Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed Assets					
Tangible assets	16		1,760,915		567,970
Investments	17		2,725,503		2,725,402
			<u>4,486,418</u>		<u>3,293,372</u>
Current Assets					
Debtors due within one year	19	10,834,834		36,824,420	
Debtors due after more than one year	19	16,082,506		16,398,740	
Cash at bank and in hand		614,947		903,607	
		<u>27,532,287</u>		<u>54,126,767</u>	
Creditors: amounts falling due within one year	21	<u>(26,419,971)</u>		<u>(54,974,568)</u>	
Net Current Assets/(Liabilities)			<u>1,112,316</u>		<u>(847,801)</u>
Total Assets Less Current Liabilities			<u>5,598,734</u>		<u>2,445,571</u>
Creditors: amounts falling due after more than one year	22		—		—
Provision for Liabilities	24		—		—
Net Assets			<u>5,598,734</u>		<u>2,445,571</u>
Capital and Reserves					
Called-up equity share capital	29		100		100
Revaluation Reserve	30		1,270,679		—
Profit & Loss account	30		4,327,955		2,445,471
Shareholders Funds			<u>5,598,734</u>		<u>2,445,571</u>

These financial statements were approved by the board of directors and authorised for issue on 31 January 2017, and are signed on behalf of the board by:



Mr A C Roberts
Director

Company registration number: 02166057

The notes on pages 14 to 37 form part of these financial statements.

Como Holdings (UK) Limited and subsidiary undertakings

Consolidated Statement of Changes in Equity

Year Ended 31 December 2015

	Note	Called up share capital £	Revaluation reserve £	Profit and Loss account £	Minority interests £	Total £
At 1 January 2014		100	6,796,264	(15,513,236)	562,224	(8,154,648)
Profit for the year				428,506	–	428,506
Other comprehensive income for the year	30		331,114	–		331,114
Total Comprehensive Income for the Year		–	331,114	428,506	–	759,620
Balance at 31 December 2014		100	7,127,378	(15,084,730)	562,224	(7,395,028)
Profit for the year				5,290,725	–	5,290,725
Other comprehensive income for the year	30		2,375,694	–		2,375,694
Total Comprehensive Income for the Year		–	2,375,694	5,290,725	–	7,666,419
Equity dividends paid	14	–	–	(10,000,000)	–	(10,000,000)
Total transactions with owners		–	–	(10,000,000)	–	(10,000,000)
Balance at 31 December 2015		100	9,503,072	(19,794,005)	562,224	(9,728,609)

The notes on pages 14 to 37 form part of these financial statements.

Como Holdings (UK) Limited and subsidiary undertakings

Company Statement of Changes in Equity

Year Ended 31 December 2015

	Note	Called up share capital £	Revaluation reserve £	Profit and Loss account £	Total £
At 1 January 2014		100	–	(683,339)	(683,239)
Profit for the year	30			1,446,251	1,446,251
Distribution reserve on loan payable by subsidiary undertaking			–	1,682,559	1,682,559
Total Comprehensive Income for the Year		–	–	3,128,810	3,128,810
Balance at 31 December 2014		100	–	2,445,471	2,445,571
Profit for the year				11,882,484	11,882,484
Other comprehensive income for year	30		1,270,679	–	1,270,679
Total Comprehensive Income for the Year		–	1,270,679	11,882,484	13,153,163
Equity dividends paid	14	–	–	(10,000,000)	(10,000,000)
Total transactions with owners		–	–	(10,000,000)	(10,000,000)
At 31 December 2015		100	1,270,679	4,327,955	5,598,734

The notes on pages 14 to 37 form part of these financial statements.

Como Holdings (UK) Limited and subsidiary undertakings

Consolidated Statement of Cash Flows

Year Ended 31 December 2015

	2015 £	2014 £
Cash Flows from Operating Activities		
Profit for the financial year	5,290,725	428,506
<i>Adjustments for:</i>		
Depreciation of tangible assets	295,379	266,298
Other interest receivable and similar income	(965,036)	(653,966)
Interest payable and similar charges	430,904	666,939
(Gain)/Loss on disposal of tangible assets	–	123,842
Tax on profit on ordinary activities	(11,696)	259,503
<i>Changes in:</i>		
Stocks	6,135	(13,543)
Trade and other debtors within one year	1,099,850	233,467
Trade and other creditors within one year	(3,361,306)	(111,674)
Trade and other creditors more than one year	21,746	(90,099)
Accrued (income)/expenses	(228,055)	(146,997)
Provisions for onerous leases	1,249,500	–
Other operating non-cashflow adjustment	21,747	21,199
Cash generated from operations	3,849,893	983,476
Interest paid	(215,727)	(301,418)
Interest received	(16,125)	22,919
Net cash used in operating activities	<u>(231,852)</u>	<u>(278,499)</u>
Cash Flows from Investing Activities		
Purchase of tangible assets	(112,630)	(392,862)
Net cash used in investing activities	<u>(112,630)</u>	<u>(392,862)</u>
Cash Flows from Financing Activities		
(Repayments)/Proceeds on bank borrowings	(2,412)	17,460,000
Proceeds from loans from/(to) fellow subsidiary	(4,537,214)	(3,344,945)
Net cash used in financing activities	<u>(4,539,626)</u>	<u>14,115,055</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	<u>(1,034,215)</u>	<u>14,427,170</u>
Cash and Cash Equivalents at Beginning of Year	<u>2,520,210</u>	<u>(11,906,960)</u>
Cash and Cash Equivalents at End of Year	<u>1,485,995</u>	<u>2,520,210</u>

The notes on page 14 to 37 form part of these financial statements.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

1. Statement of compliance

These consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006.

General Information

Como Holdings (UK) Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the company's principal place of business and principal activity is as disclosed in the Strategic Report on pages 1 and 2 of these financial statements.

2. Accounting policies

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, modified to include the revaluation of tangible fixed assets including the group's long leasehold property recognised at open market value and certain financial instruments at fair value.

The financial statements are prepared in sterling, which is also the functional currency of the entity.

First time adoption of FRS 102

These financial statements are the first financial statements of Como Holdings (UK) 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 Como Holdings (UK) 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 reviewed the accounting policies to comply with FRS 102.

Certain comparative figures have been restated to reflect any adjustments required, except to the extent that the members have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS' see note 36.

Going concern

The directors have disclosed their conclusion of the going concern in the Directors' report on page 3.

Consolidation

The financial statements consolidate the financial statements of Como Holdings (UK) Limited and subsidiary undertakings and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual statement of comprehensive income account.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

Minority interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Prior year adjustment

Amounts owed by group undertaking stated in the prior year to the parent company, Como Holdings (UK) Limited, due within one year has been reclassified between current assets and non-current assets as stated under note 19 of this financial statements.

Revenue recognition

Turnover is the total receivable by the group for goods supplied and services provided, excluding Value Added Tax, which falls within the group's ordinary activities.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Comprehensive Income.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in income statement or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

Taxation (*continued*)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold properties	-	Exempt from depreciating asset
Leasehold improvements	-	Over length of lease
Computer equipment	-	33.33% straight line basis
Motor vehicles	-	25% straight line basis
Fixtures & Fittings	-	20% straight line basis
Land	-	Not depreciated

No depreciation is charged on long leasehold property as the directors believe that any depreciation charge and related accumulated depreciation are not material, owing to a long estimated remaining useful economic life. Impairment reviews are undertaken at the end of each reporting period.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are shown at historical cost less provision for impairments in value.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

Stocks

Stocks are stated at the lower of cost and net realisable value. The net realisable value is the estimated proceeds from the sale of items of stock, less costs incurred in marketing/selling/distributing directly related to the items in question.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instrument Issues" of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial Assets

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

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 transaction is measured at the present value of the future receipts discounted at market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Financial Liabilities and Equity Instruments

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

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges. Debt instruments such as long term loans from group undertaking and related party undertaking are subsequently measured at fair value through income statement.

Trade creditors and accruals

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Leased Assets

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term net of the corresponding income. Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term or, if shorter, the period ending when prevailing market rentals will become payable. Provision for dilapidation costs on leases is made based on estimated costs to be incurred.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management has made judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

In arriving at the judgement on onerous leases third parties were consulted.

Interest payable to/ receivable from group undertaking and related party undertaking measured on fair valued loan, the effective interest rate used is same rate as that payable under bank loan secured by the company as detailed under note 22 of this financial statement.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

Liquid resources

The company classifies liquid resources as any cash placed on short term deposits.

3. Turnover

An analysis of the Group's turnover by class of business is as follows:

	2015	2014
	£	£
Hotelier	5,934,119	6,021,393
Management Services	1,480,121	1,443,679
Distributor	580,700	519,994
	<u>7,994,940</u>	<u>7,985,066</u>

The turnover was carried out wholly in the United Kingdom.

4. Other income

An analysis of the Group's other operating income is as follows:

	2015	2014
	£	£
Rents receivable and similar income	1,490,796	1,056,906
Other operating income	1,260,210	–
Gain on disposal of leasehold property by subsidiary undertaking	3,000,000	–
	<u>5,751,006</u>	<u>1,056,906</u>

Other operating income relates to write off of prior period debtors and creditors no longer required.

The income recognised of £3,000,000 represents proceeds of lease premium of lease assigned in earlier periods.

5. Operating profit

Operating profit or loss is stated after charging:

	2015	2014
	£	£
Depreciation of tangible assets	295,379	266,298
Loss on disposal of tangible assets	–	123,842
Operating lease rental payables	764,964	656,290
Foreign exchange differences	1,897	(5,416)
Defined contribution plans expense	77,771	63,028
Stock utilised during the period under cost of sales	911,536	891,556
Rents receivable under operating leases	<u>(230,000)</u>	<u>(411,457)</u>

6. Auditor's remuneration

	2015	2014
	£	£
Auditors' remuneration fees payable (audit of this financial statements)	16,700	19,051
Auditors' remuneration fees payable (audit of group financial statements)	7,000	6,500
	<u>23,700</u>	<u>25,551</u>

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2015 No	2014 No
Selling / Distribution staff	76	77
Administrative staff	22	29
Management	2	2
	<u>100</u>	<u>108</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015 £	2014 £
Wages and salaries	3,047,660	3,326,652
Social security costs	236,784	288,033
Other pension costs	84,171	70,545
	<u>3,368,615</u>	<u>3,685,230</u>

8. Directors remuneration

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

	2015 £	2014 £
Remuneration receivable	88,114	179,700
Directors' pension contribution under defined scheme	<u>6,400</u>	<u>7,518</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2015 No	2014 No
Defined contribution plan	<u>1</u>	<u>2</u>

9. Exceptional Items

	2015 £	2014 £
Included within administration expenses :		
Major refurbishment expenditure incurred on restaurant opening activity by subsidiary undertaking	–	138,940
Computer software support on PCI Compliance regulations incurred by subsidiary undertaking	8,502	–
Provision for onerous leases, related costs and dilapidation expenses incurred by subsidiary undertaking	(1,249,500)	–
Write back expenditures incurred on terminated operation by subsidiary undertaking	<u>228,192</u>	<u>–</u>
	<u>(1,012,806)</u>	<u>138,940</u>

10. Interest receivable and similar income

	2015 £	2014 £
Interest on cash held at bank	5,622	5,361
Interest from group undertakings	898,362	631,046
Interest receivable on loans to related party and other undertakings	<u>61,052</u>	<u>17,558</u>
	<u>965,036</u>	<u>653,965</u>

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

11. Interest payable and similar charges

	2015 £	2014 £
Interest on bank loan and overdraft	430,904	370,574
Interest payable on loans from group undertakings	–	192,367
Interest payable on loans from related party undertakings	–	103,998
	<u>430,904</u>	<u>666,939</u>

12. Tax on profit on ordinary activities

Major components of tax expense

	2015 £	2014 £
Current tax:		
UK current tax expense	–	–
Total current tax	<u>–</u>	<u>–</u>
Deferred tax:		
Origination and reversal of timing differences	11,696	(259,503)
Tax on profit on ordinary activities	<u>11,696</u>	<u>(259,503)</u>

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>5,279,029</u>	<u>688,009</u>
Profit on ordinary activities by rate of tax	1,069,003	152,480
Effect of expenses not deductible for tax purposes	302,400	6,535
Effect of capital allowances and depreciation	59,719	57,254
Claim for group relief for which no payment is made	(1,197,190)	(242,895)
(Profit)/Loss on disposal of tangible fixed assets	–	26,626
Impairment provision not deductible for tax purpose	(233,932)	–
Movement in deferred taxation	11,696	(259,503)
Tax on profit on ordinary activities	<u>11,696</u>	<u>(259,503)</u>

Other Factors that may affect future tax income

Future tax charge may be affected by the incidence of, and any payment for, group relief.

As at year end date the group has unrecognised deferred tax assets and liability as detailed under note 20 and 23.

13. Result for the year of the parent company

The profit for the financial year of the parent company was £11,882,484 (2014: £1,446,251).

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

14. Dividends

Dividends paid during the year from the retained earning:

	2015 £	2014 £
Equity dividends on ordinary shares	10,000,000	—

Dividends paid to its shareholders was at rate of £100,000 (2014: £nil) per share held during the year.

15. Tangible fixed assets

Group	Long Leasehold Property and Improvements £	Motor Vehicles £	Fixtures, Fittings, Equipments and Computers £	Total £
Cost or valuation				
At 1 January 2015	28,509,195	155,167	5,211,891	33,876,253
Additions	39,724	—	72,906	112,630
Disposals	—	—	(1,692,677)	(1,692,677)
Revaluation	2,375,694	—	—	2,375,694
At 31 December 2015	30,924,613	155,167	3,592,120	34,671,900
Depreciation				
At 1 January 2015	61,072	133,558	4,513,653	4,708,283
Charge for the year	174	17,269	277,936	295,379
On disposals	—	—	(1,692,677)	(1,692,677)
At 31 December 2015	61,246	150,827	3,098,912	3,310,985
Carrying amount				
At 31 December 2015	30,863,367	4,340	493,208	31,360,915
At 31 December 2014	28,448,123	21,609	698,238	29,167,970

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

15. Tangible fixed assets (*continued*)

Tangible fixed assets held at valuation

Long leasehold property held by the group were valued on 16 December 2015 by external valuers, SAVILLS Commercial Limited, property valuers and consultants, on the basis of open market value for existing use. The open market value of the long leasehold property held by the company was £29.60million inclusive of assets held under furniture, fixture and equipment (2014: £28.60million).

Long leasehold property held by the company was valued on 20 May 2016 by external valuers, London Surveyors and Valuers, on the basis of open market value for existing use. The open market value of the property held by the company was £1.50million.

The director considers that the property at open market value is the fair value as at year end date.

In respect of tangible assets held at valuation, the comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Long leasehold Property and Improvements £	Furnitures, Fixtures, and Equipments £	Total £
At 31 December 2015	21,360,295	236,633	21,596,928
At 31 December 2014	21,320,295	381,372	21,701,667

16. Tangible fixed assets

Company	Long Leasehold Property Impairments £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost or Valuation					
At 1 January 2015	290,567	276,797	317,166	155,167	1,039,697
Additions	–	3,905	2,686	–	6,591
Revaluation	1,270,679	–	–	–	1,270,679
At 31 December 2015	1,561,246	280,702	319,852	155,167	2,316,967
Depreciation					
At 1 January 2015	61,072	96,715	180,382	133,558	471,727
Charge for the year	174	37,425	29,457	17,269	84,325
At 31 December 2015	61,246	134,140	209,839	150,827	556,052
Net Book Value					
At 31 December 2015	1,500,000	146,562	110,013	4,340	1,760,915
At 31 December 2014	229,495	180,082	136,784	21,609	567,970

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements

Year Ended 31 December 2015

16. Tangible fixed assets *(continued)*

Company

In respect of long leasehold property improvement stated at valuation, the comparable historical cost and depreciation values are as follows:

	2015 £	2014 £
Net book value at end of year	<u>1,500,000</u>	<u>229,495</u>
Historical cost:		
Cost of assets revalued for the first time in year	290,567	290,567
At 31 December 2015	<u>290,567</u>	<u>290,567</u>
Depreciation:		
Aggregate depreciation on assets revalued in year	61,246	61,072
At 31 December 2015	<u>61,246</u>	<u>61,072</u>
Net historical cost value:		
At 31 December 2015	<u>229,321</u>	<u>229,495</u>

The director considers that the property at open market value is the fair value as at year end date. Consequently the group has adopted to change its accounting policy to value the asset from deemed cost basis to its open market value basis. In accordance with FRS 102 this has been applied prospectively.

17. Investments

Company

	Shares in group undertakings Total £
Unlisted investments	
Cost	
At 1 January 2015	2,725,502
Additions	1
Disposals	—
At 31 December 2015	<u>2,725,503</u>
Impairment	
At 1 Jan 2015	100
Release in year	(100)
At 31 Dec 2015	<u>—</u>
Carrying amount	
At 31 December 2015	<u>2,725,503</u>
At 31 December 2014	<u>2,725,402</u>

During the year 1 ordinary share of £1.00 each was acquired at par value in Alibaba Hotels Limited, a company incorporated on 20 November 2014 in England and Wales.

The investment in the subsidiary has been included in the company's statement of financial position at its fair value at the date of acquisition using the acquisition method accounting basis.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

17. Investments (continued)

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Country of incorporation	Class of share	Percentage of shares held	Principal Activity
<u>Subsidiary undertakings</u>	England and Wales	Ordinary	100	Dormant
Alibaba Hotels Limited	England and Wales	Ordinary	100	Dormant
Ballantyne 21 (UK) Limited	England and Wales	Ordinary	100	Dormant
Canbe Services Limited	England and Wales	Ordinary	100	Dormant
Comogems (UK) Limited	England and Wales	Ordinary	100	Non-trading
Como Hotels and Resorts Limited	England and Wales	Ordinary	100	Dormant
Como Shambhala (UK) Limited	England and Wales	Ordinary	100	Distributor
Halkin Hotel Limited	England and Wales	Ordinary	100	Hotelier
Jacobs (UK) Limited	England and Wales	Ordinary	100	Non-trading
Kensington Retail Limited	England and Wales	Ordinary	100	Dormant
Laybran Limited	England and Wales	Ordinary	100	Dormant
Mocobs (UK) Limited	England and Wales	Ordinary	100	Dormant
Orthet Limited	England and Wales	Ordinary	100	Non-trading
VSQ Distribution Limited	England and Wales	Ordinary	100	Dormant
<u>Associates</u>				
Nyonya Limited	England and Wales	Ordinary	67.26	Dormant

18. Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Finished goods and goods for resale	<u>435,901</u>	<u>442,036</u>	<u>—</u>	<u>—</u>

There is no material difference between the replacement cost of stock and the amounts stated above.

19. Debtors

	Group		Company	
Amounts falling due within one year:	2015	2014	2015	2014
	£	£	£	£
Trade debtors	196,069	387,446	22,571	40,494
Amounts owed by group undertakings	—	—	24,690,867	32,600,635
Amounts owed by fellow subsidiaries	1,153,095	35,511,258	1,103,877	19,271,017
Amounts owed by related party undertakings	109,544	26,426	108,736	24,699
Prepayments and accrued income	335,412	1,206,737	71,898	76,172
Other debtors	1,092,889	1,213,155	872,019	1,174,372
Deferred taxation (Note 20)	47,105	35,409	47,372	35,771
	<u>2,934,114</u>	<u>38,380,431</u>	<u>26,917,340</u>	<u>53,223,160</u>

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

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

19. Debtors (continued)

	Group		Company	
Amounts falling due after more than one year:	2015	2014	2015	2014
	£	£	£	£
Amounts owed by group undertakings	–	–	16,035,134	16,362,969
Deferred taxation (Note 20)	47,105	35,409	47,372	35,771
	<u>47,105</u>	<u>35,409</u>	<u>16,082,506</u>	<u>16,398,740</u>

Total amounts owed by group undertakings as per note 19 above of £32,600,635 includes an amount of £22,970,424 loan due from a subsidiary undertaking, Halkin Hotel Limited which was wholly recognised as current assets as at 31 December 2014. However £15,000,000 of this is subordinated under the subsidiary's bank facility granted by its bank on 17 April 2014 and should have been recognised as non-current asset. A prior year adjustment has been made to correct the effects as follows:

	Group		Company	
Amounts falling due after more than one year:	2015	2014	2015	2014
	£	£	£	£
Amount originally stated	–	35,409	–	35,771
Amount reclassified to non-current assets	–	–	–	15,000,000
	<u>–</u>	<u>35,409</u>	<u>–</u>	<u>15,035,771</u>
Add: Effects of FRS 102 transition adjusted at fair value on amounts owed by group undertakings	–	–	–	1,362,969
Amounts restated (as note 19 above)	<u>–</u>	<u>35,409</u>	<u>–</u>	<u>16,398,740</u>

20. Deferred taxation assets

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Balance brought forward	35,409	294,912	35,771	295,231
Movement arising during the year	11,696	(259,503)	11,601	(259,460)
Balance carried forward	<u>47,105</u>	<u>35,409</u>	<u>47,372</u>	<u>35,771</u>

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

20. Deferred taxation assets (continued)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

Group

	Provided		Unprovided	
	2015	2014	2015	2014
	£	£	£	£
Excess of depreciation over taxation allowances on tangible fixed assets	47,105	352,239	374,452	365,902
Tax losses available in future period	–	(316,830)	1,970,678	2,074,258
	<u>47,105</u>	<u>35,409</u>	<u>2,345,130</u>	<u>2,440,160</u>

Company

	Provided		Unprovided	
	2015	2014	2015	2014
	£	£	£	£
Excess of depreciation over taxation allowances on tangible fixed assets	47,372	352,601	–	–
Tax losses available in future period	–	(316,830)	820,757	753,932
	<u>47,372</u>	<u>35,771</u>	<u>820,757</u>	<u>753,932</u>

Deferred taxation provided for in the financial statements in respect of the excess of capital allowances over depreciation is set out above. The amount provided at the balance sheet date is calculated using a tax rate of 18.00% (2014: 20.00%).

The above deferred tax assets have not been recognised due to uncertainties over the timing of its utilisation in respect of accelerated capital allowances and tax losses.

21. Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	500,000	502,412	–	2,412
Trade creditors	705,906	1,501,417	274,684	615,714
Amounts owed to group undertakings	–	–	4,437,572	1,433,909
Amounts owed to fellow subsidiaries	20,527,713	50,575,934	20,422,882	50,003,801
Amounts owed to related party undertakings	34,496	153,677	–	4,876
Accruals and deferred income	677,280	905,335	355,866	66,196
Other taxation and social security	406,203	343,458	176,468	63,073
Other creditors	812,841	2,916,005	752,499	2,784,587
	<u>23,664,439</u>	<u>56,898,238</u>	<u>26,419,971</u>	<u>54,974,568</u>

The bank loan is secured by a fixed and floating charge over the subsidiary's property and assets.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

22. Creditors: amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Secured bank loans	16,960,000	16,960,000	–	–
Amounts owed to related party undertakings	4,071,595	4,049,849	–	–
	<u>21,031,595</u>	<u>21,009,849</u>	<u>–</u>	<u>–</u>

Bank loans

On 17 April 2014 the bank overdraft facility held by the group's subsidiary undertaking, Halkin Hotel Limited, was refinanced by converting into a revolving credit facility of £18.46million with interest applied at UK Libor plus margin of 1.75% (2014: 1.75%) over the term of the bank facility up to 31 October 2018.

Loans from related party undertakings

Amounts owed to related party undertakings represents loan received to the group's subsidiary undertaking, Halkin Hotel Limited which is interest bearing loan with no fixed repayment term and is subordinated to prior claims of the subsidiary's remaining creditors under their bank loan facility held.

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
In one year or less or on demand	500,000	500,000	–	–
In more than one year but not more than two years	500,000	500,000	–	–
In more than two years but not more than five years	16,460,000	15,960,000	–	–
	<u>17,460,000</u>	<u>16,960,000</u>	<u>–</u>	<u>–</u>

23. Deferred taxation liabilities

The deferred tax liabilities not recognised in respect of gain on revaluation account is as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Unrealised gain on revaluation reserve:				
Long leasehold property	9,381,403	9,342,192	217,698	241,887
	<u>9,381,403</u>	<u>9,342,192</u>	<u>217,698</u>	<u>241,887</u>

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

23. Deferred taxation (continued)

The deferred tax liabilities amount unrecognised at the balances sheet date calculated at tax rate of 18.00% (2014: 20.00%) is as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Unrealised gain on revaluation reserve:				
Long leasehold property	1,688,653	1,868,439	217,698	241,887
	<u>1,688,653</u>	<u>1,868,439</u>	<u>217,698</u>	<u>241,887</u>

24. Other provisions

Provision for onerous leases, related costs, and dilapidation expenses

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Opening balance	–	–	–	–
Movement in year	1,249,500	–	–	–
Closing balance	<u>1,249,500</u>	<u>–</u>	<u>–</u>	<u>–</u>

Provision relates to expenses expected to be incurred on existing onerous operating leases held by the group's subsidiary undertakings.

The deferred tax liability relate to unrealised gain on revaluation that not recognised and unlikely to be utilised due to surplus tax losses available in group in the foreseeable future.

25. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £77,771 (2014: £63,028).

26. Remuneration of key management personnel

Those considered to be key management personnel of the group are not remunerated by this company other than the directors remuneration received as detailed under note 8. The Directors are unable to accurately apportion the key management personnel remuneration to this entity and therefore no additional disclosure is made.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

27. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Financial assets:				
Financial assets that are debt instruments measured at fair value through profit or loss	–	–	16,035,134	16,362,969
Financial assets that are debt instruments measured at amortised cost	<u>3,990,219</u>	<u>39,625,136</u>	<u>27,365,645</u>	<u>53,911,495</u>

27. Financial instruments (continued)

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	(4,071,595)	(4,377,684)	–	–
Financial liabilities measured at amortised cost	(28,579,331)	(60,604,629)	(26,243,503)	(54,911,495)
Loan commitments measured at cost less impairment	<u>(17,460,000)</u>	<u>(17,460,000)</u>	<u>–</u>	<u>–</u>

Financial assets measured at amortised cost comprise interest in associated undertaking, cash at bank and in hand, trade debtors, amounts owed by fellow subsidiary undertakings and related party undertakings, and other debtors.

Financial liabilities measured at amortised costs comprise trade creditors, amounts owed to subsidiary undertakings and related party undertakings, accruals and deferred income, other creditors, and other provision.

Financial liabilities measured at fair value comprise amounts owed to group and related party undertakings. The basis for determining fair value is measured at same rate as that charged under the secured bank borrowing held by the company.

28. Analysis of other comprehensive income

	Revaluation reserves			
	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Revaluation of tangible assets:				
Balance brought forward	7,127,378	7,127,378	–	–
Gain of revaluation for the year	2,375,694	–	1,270,679	–
Balance carried forward	<u>9,503,072</u>	<u>7,127,378</u>	<u>1,270,679</u>	<u>–</u>

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

29. Called-up equity share capital

Authorised share capital

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

All shares rank pari passu for voting purposes. Each share ranks equally for any dividend declared, and distribution made in dividing or winding up and are not redeemable.

30. Reserves

Revaluation reserve - This reserve records the value of tangible fixed asset and fair value movements on assets recognised in other income.

Statement of comprehensive income account - This reserve records retained earnings and accumulated losses and capital contribution and distribution reserve recognised on fair value of long term loan from group and related party undertakings.

Minority interests - This reserve records the part of Subsidiary equity not owned within the group.

31. Operating leases – as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Not later than 1 year	3,508,746	3,322,706	302,520	302,520
Later than 1 year and not later than 5 years	11,001,358	12,453,159	1,210,080	1,210,080
Later than 5 years	14,852,533	17,045,683	1,134,450	1,512,600
	<u>29,362,637</u>	<u>32,821,548</u>	<u>2,647,050</u>	<u>3,025,200</u>

32. Events after the end of the reporting period

Changes in investments held in subsidiary undertaking

On 15 April 2016, shares held in Halkin Hotel Limited of 102 ordinary shares at £1.00 each was transferred at par value to the group's immediate parent undertaking, Adobe Partners Limited a company incorporated in the British Virgin Island.

On 5 July 2016, Ballantyne 21 (UK) Limited and Kensington Retail Limited, both companies incorporated in England and Wales were dissolved in which share capital held of 100 ordinary shares at £1.00 each in both entities were held by the company.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

32. Events after the end of the reporting period (continued)

Changes in investments held in subsidiary undertaking

On 15 November 2016, Nyonya Limited a company incorporated in England and Wales was dissolved in which the company held share capital of 1,155,117 of the aggregate total issued shares of 1,717,341 ordinary shares at £1.00 each.

Operating leases

The trading activities of the stores for which the leases are held by fellow subsidiary, Orthet Limited will cease on 31st January 2017 as per the agreement signed with Giorgio Armani SPA in August 2016.

33. Contingencies

The group has guaranteed the lease obligations of certain group companies relating to leases, which expires in 2022 (2014: year 2022). The total amount of the annual rentals in respect of these leases is £932,500 (2014: £3,556,246).

As at 31 December 2015 there was a contingent asset of £nil (2014: £3,000,000) in relation to receipt of lease premium of lease assigned in earlier period on leasehold property held by a subsidiary. Post year end it has been confirmed that this amount has been received.

34. Related party transactions

The company has relied upon the exemption provided by Section 33 of FRS 102 Related Party Disclosure from the disclosure of transactions with companies where the voting rights are wholly controlled within the group. The following transactions with related parties occurred in the year and related balances were outstanding at the year end.

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Sales and expenses recharged to related parties:				
Total sales	1,703,175	1,305,428	1,619,777	1,208,022
Total operating expenses	898,361	631,046	898,361	631,046
	<u>2,601,536</u>	<u>1,936,474</u>	<u>2,518,138</u>	<u>1,839,068</u>

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Costs recharged from related parties:				
Total	<u>272,920</u>	<u>415,453</u>	<u>22,944</u>	<u>34,886</u>

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Dividends paid to immediate parent undertaking:				
Total	<u>10,000,000</u>	<u>—</u>	<u>10,000,000</u>	<u>—</u>

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

34. Related party transactions *(continued)*

The amounts due to / (from) Como Holdings (UK) Limited are listed below:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Total amounts receivable/(payable) within one year	<u>75,048</u>	<u>(127,251)</u>	<u>108,736</u>	<u>19,823</u>
Total amounts receivable/(payable) in more than one year	<u>(4,071,595)</u>	<u>(4,049,849)</u>	<u>—</u>	<u>—</u>

35. Controlling party

The largest and smallest group for which group accounts are prepared, that include Como Holdings (UK) Limited, is headed by Adobe Partners Limited.

Adobe Partners Limited, a company registered in British Virgin Island, was the immediate parent company parent and controlling entity of Como Holdings (UK) Limited.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

36. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1 January 2014.

Group

Reconciliation of equity

	1 January 2014			31 December 2014			
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Prior year Adjustment	Effect of transition	FRS 102 (as restated)
	£	£	£	£		£	£
Fixed assets	22,037,870	6,796,264	28,834,134	22,040,592	–	7,127,378	29,167,970
Current assets	35,825,229	–	35,825,229	41,296,178	–	13,502	41,309,680
Non-Current assets	294,912	–	294,912	35,409	–	–	35,409
Creditors: amounts falling due within one year	(69,080,272)	–	(69,080,272)	(56,801,938)	–	(96,300)	(56,898,238)
Net current liabilities	(32,960,131)	–	(32,960,131)	(15,470,351)	–	(82,798)	(15,553,149)
Total assets less assets/(current liabilities)	(10,922,261)	6,796,264	(4,125,997)	6,570,241	–	7,044,580	13,614,821
Creditors: amounts falling due after more than one year	(4,139,948)	111,299	(4,028,649)	(21,182,746)	–	172,897	(21,009,849)
Net assets/ liabilities	(15,062,209)	6,907,563	(8,154,646)	(14,612,505)	–	7,217,477	(7,395,028)
Issued share capital	100	–	100	100	–	–	100
Revaluation reserves	–	6,796,264	6,796,264	–	–	7,127,378	7,127,378
Comprehensive income account	(15,624,533)	111,299	(15,513,234)	(15,174,829)	–	90,099	(15,084,730)
Capital and reserves	(15,624,433)	6,907,563	(8,716,870)	(15,174,729)	–	7,217,477	(7,957,252)
Minority interest	562,224	–	562,224	562,224	–	–	562,224
Total capital employed	(15,062,209)	6,907,563	(8,154,646)	(14,612,505)	–	7,217,477	(7,395,028)

Prior year adjustment recognised as at 31 December 2014 relates to amount owed by group undertaking being split between current assets and non-current assets as detailed under note 19 of this financial statements.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

36. Transition to FRS 102 *(continued)*

Group

Reconciliation of profit or loss for the year

	Year ended 31 December 2014		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	7,985,066	–	7,985,066
Cost of sales	(887,373)	–	(887,373)
Gross profit	7,097,693	–	7,097,693
Administrative expenses	(7,453,617)	–	(7,453,617)
Other operating income	1,056,906	–	1,056,906
Operating profit	700,982	–	700,982
Interest receivable	653,965	–	653,966
Interest payable and similar charges	(645,740)	(21,198)	(666,939)
Net profit before taxation	709,207	(21,198)	688,009
Taxation	(259,503)	–	(259,503)
Loss for the financial year	449,704	(21,198)	428,506

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements (continued)

Year Ended 31 December 2015

36. Transition to FRS 102 (continued)

Company

Reconciliation of equity

	1 January 2014			31 December 2014			
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Prior year Adjustment	Effect of transition £	FRS 102 (as restated) £
Fixed assets	3,159,636	–	3,159,636	3,293,372	–	–	3,293,372
Current assets	46,816,094	–	46,816,094	52,728,027	(15,000,000)	–	37,728,027
Non-Current assets	295,231	–	295,231	35,771	15,000,000	1,362,969	16,398,740
Creditors: amounts falling due within one year	(50,954,200)	–	(50,954,200)	(54,974,568)	–	–	(54,974,568)
Net current liabilities	(3,842,875)	–	(3,842,875)	(2,210,770)	–	1,362,969	(847,801)
Total assets less assets/(current liabilities)	(683,239)	–	(683,239)	1,082,602	–	1,362,969	2,445,571
Creditors: amounts falling due after more than one year	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–
Net assets/ liabilities	(683,239)	–	(683,239)	1,082,602	–	1,362,969	2,445,571
Issued share capital	100	–	100	100	–	–	100
Revaluation reserves	–	–	–	–	–	–	–
Comprehensive income account	(683,339)	–	(683,339)	1,082,502	–	1,362,969	2,445,471
Capital and reserves	(683,239)	–	(683,239)	1,082,602	–	1,362,969	2,445,571

Prior year adjustment recognised as at 31 December 2014 relates to amount owed by group undertaking being split between current assets and non-current assets as detailed under note 19 of this financial statements.

Como Holdings (UK) Limited and subsidiary undertakings

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

36. Transition to FRS 102 *(continued)*

Company

Reconciliation of profit or loss for the year

	Year ended 31 December 2014		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	1,568,679	–	1,568,679
Cost of sales	–	–	–
Gross profit	1,568,679	–	1,568,679
Administrative expenses	(2,040,871)	–	(2,040,871)
Other operating income	839,408	–	839,408
Operating profit	367,216	–	367,216
Impairment on fixed asset investments	(100)	–	(100)
Interest receivable	1,850,552	(319,590)	1,530,962
Interest payable and similar charges	(192,367)	–	(192,367)
Net profit before taxation	2,025,301	(319,590)	1,705,711
Taxation	(259,460)	–	(259,460)
Loss for the financial year	1,765,841	(319,590)	1,446,251

Tangible fixed assets held by the group's subsidiary undertaking, Halkin Hotel Limited under long leasehold property and improvements and fixtures and fittings has been restated at open market value on adoption of FRS 102 reporting for year 2014. As a result a £6.80million revaluation gain on the tangible fixed assets has been recognised in this financial statement at transition and £7.13million revaluation gain in year 2014. No deferred tax liability is recognised on the unrealised gain as substantial tax losses is held by the subsidiary undertaking and the company's group undertaking to relieve against the chargeable gain when realised during the foreseeable future period.

Amounts owed to group undertaking and related party has been revalued at fair value. As a result the interest payable and similar charges have been adjusted on adoption of FRS 102 reporting for year 2014 as shown above. This also resulted in a capital contribution of £111,299 and distribution reserve of £1,682,559 arising on transition.