

# Chamberlain Hotels Limited

## Directors' report and financial statements

*For the year ended 31 December 2014*



# Chamberlain Hotels Limited

## Directors' report and financial statements

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# Chamberlain Hotels Limited

## Directors and other information

Directors	John Brennan Cormac Ó Tighearnaigh
Secretary	Darren Guy
Bankers	Royal Bank of Scotland Kirkstane House 139 St Vincent Street Glasgow G2 5JF
Solicitors	Squire Sanders & Dempsey LLP Rutland House Cutlers Gardens London EC2M 4YH
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
Registered office	245 Broad Street Birmingham B1 2HQ England
Registered Number	2307261

# Chamberlain Hotels Limited

## Strategic report

The main activity of the Chamberlain Hotels Limited ("the Company") continues to be the operation of a premium budget hotel in the United Kingdom.

The Company achieved a turnover of £11.5 million in the year ended 31 December 2014 which is an increase of 8% on the year ended 31 December 2013. This was driven by improved market conditions.

The Company produced an operating profit of £3.0 million in the year ended 31 December 2014, which is an increase of 57% on the prior year operating profit. There continues to be strong controls in place over payroll and expenses. While savings have been achieved costs have increased due to increased levels of business and utility costs.

The key performance indicators for the company are highlighted in the below table:

	2014	2013
Gross profit %	26%	18%
Operating profit %	26%	18%

The increase in the gross and operating profit percentage in 2014 reflects strong rate growth during the year.

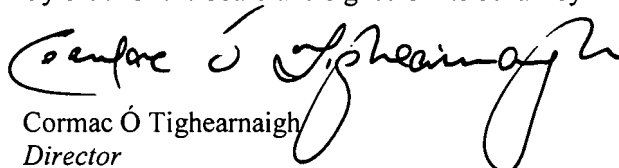
### **Business risks and uncertainties:**

The hotel industry's performance is closely aligned to the general economic environment. Therefore, a key risk facing the company is adverse economic conditions. The Company has a low cost business model, charging its customers rates that vary depending on levels of demand. This reduces, though does not eliminate, the financial impact arising from such adverse conditions.

### **Business review:**

The Company expects 2015 to improve in terms of trading, and is confident that trading will perform above market levels.

By order of the board and signed on its behalf by

  
Cormac Ó Tighearnaigh  
Director

26 November 2015

# Chamberlain Hotels Limited

## Directors' report

The directors submit their annual report together with the audited financial statements of Chamberlain Hotels Limited ("the Company") for the year ended 31 December 2014.

### Principal activities

The Company is part of a leading hotel group and operates a premium budget hotel in the United Kingdom.

### Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 8 and in the related notes.

### Directors and secretary and their interests

The directors of the Company are set out on page 1. On 13 March 2015 Thomas Dowd resigned as a director of the company.

The directors and secretary who held office at 31 December 2014 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

### Disabled persons

It is the policy of the Company to give fair and full consideration to registered disabled persons applying for employment and to the continuing employment and appropriate training of staff who become disabled having regard to their particular aptitudes and abilities.

### Employee participation

The Company places particular importance on the involvement of its employees keeping them regularly informed through meetings on matters affecting them as employees and on issues affecting the Company's performance. The training and development of employees at all levels continues to be a major priority.

### Subsequent events

There were no events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.

### Political Donations

The Company made no political donations during the year (2013: Nil).

### Going concern

The directors, having made enquiries, are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

# Chamberlain Hotels Limited

## Directors' report (*continued*)

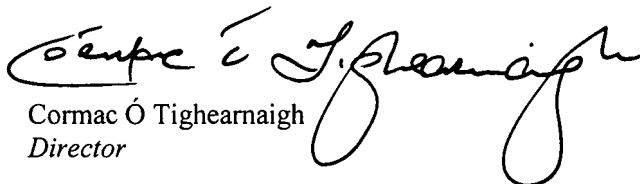
### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG, Chartered Accountants, will be deemed to be reappointed and will therefore continue in office.

On behalf of the board

  
Cormac Ó Tighearnaigh  
Director

26 November 2015

# Chamberlain Hotels Limited

## Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

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 year.

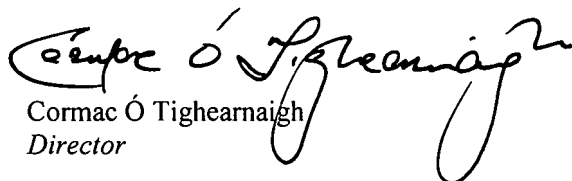
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

  
Cormac Ó Tighearnaigh  
Director

26 November 2015

## Independent auditor's report to the members of Chamberlain Hotels Limited

We have audited the financial statements of Chamberlain Hotels Limited for the year ended 31 December 2014 set out on pages 6 to 38, which comprise the profit and loss account, statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

### Opinions and conclusions arising from our audit

#### *1 Our opinion on the financial statements is unmodified*

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### *2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below*

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### *3 We have nothing to report in respect of matters on which we are required to report by exception*

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of the above responsibilities.



## Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

### **Basis of our report, responsibilities and restrictions on use**

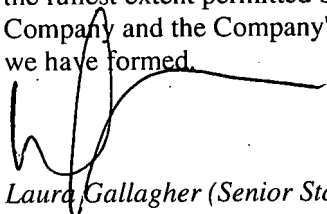
As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.



Laura Gallagher (Senior Statutory Auditor)  
for and on behalf of KPMG, Statutory Auditor  
Chartered Accountants  
1 Stokes Place  
St Stephen's Green  
Dublin 2  
Ireland

26 November 2015

# Chamberlain Hotels Limited

## Profit and loss account for the year ended 31 December 2014

	<i>Notes</i>	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Turnover – continuing activities</b>		<b>11,523</b>	10,641
Cost of sales		<b>(8,569)</b>	(8,763)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>2,954</b>	1,878
Administrative expenses		<b>(8)</b>	(8)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>2,946</b>	1,870
Finance costs	<i>4</i>	<b>(1,325)</b>	(817)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>1,621</b>	1,053
Income tax benefit	<i>6</i>	<b>221</b>	507
		<hr/>	<hr/>
<b>Profit for the year</b>	<i>5</i>	<b>1,842</b>	1,560
		<hr/> <hr/>	<hr/> <hr/>

# Chamberlain Hotels Limited

## Statement of comprehensive income for the year ended 31 December 2014

	<i>Note</i>	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Profit for the year		<b>1,842</b>	1,560
<b><i>Items that will never be reclassified to profit or loss:</i></b>			
Revaluation of tangible fixed assets	7	<b>17,243</b>	(248)
Tax on unrealised loss on revaluation of tangible fixed assets		<b>(2,611)</b>	959
		<b>14,632</b>	711
<b>Other comprehensive income, net of tax</b>		<b>14,632</b>	711
<b>Total comprehensive income for the year</b>		<b>16,474</b>	2,271

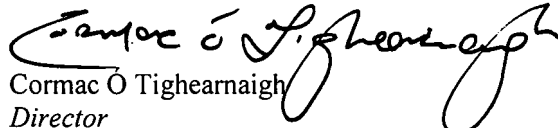
# Chamberlain Hotels Limited

## Balance sheet

as at 31 December 2014

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	7	57,571	41,238
		<hr/>	<hr/>
<b>Current assets</b>			
Stocks		43	38
Debtors	8	40,196	35,477
Cash at bank and in hand		29	29
		<hr/>	<hr/>
		40,268	35,544
<b>Creditors: amounts falling due within one year</b>	9	(33,912)	(31,952)
		<hr/>	<hr/>
<b>Net current assets</b>		6,356	3,592
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		63,927	44,830
		<hr/>	<hr/>
<b>Creditors: amounts falling due after one year</b>			
Deferred tax	6	(8,729)	(6,339)
Finance lease liability	10	(807)	(574)
		<hr/>	<hr/>
<b>Net assets</b>		54,391	37,917
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	12	1,501	1,501
Revaluation reserve		38,849	24,217
Profit and loss account		14,041	12,199
		<hr/>	<hr/>
<b>Shareholders' funds</b>		54,391	37,917
		<hr/>	<hr/>

On behalf of the board

  
Cormac Ó Tighearnaigh  
Director

26 November 2015

# Chamberlain Hotels Limited

## Statement of changes in equity for the year ended 31 December 2014

	Attributable to equity holders of the Company			
	Share capital £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2013	1,501	23,506	35,639	60,646
<b>Comprehensive income</b>				
Profit for the year	-	-	1,560	1,560
<i>Other comprehensive income</i>				
Unrealised loss on revaluation of tangible fixed assets	-	(248)	-	(248)
Tax on unrealised gain on revaluation of tangible fixed assets	-	959	-	959
<i>Transactions with owners of the Company</i>				
Dividend paid	-	-	(25,000)	(25,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2014	<b>1,501</b>	<b>24,217</b>	<b>12,199</b>	<b>37,917</b>
<b>Comprehensive income</b>				
Profit for the year	-	-	1,842	1,842
<i>Other comprehensive income</i>				
Unrealised gain on revaluation of tangible fixed assets	-	17,243	-	17,243
Tax on unrealised gain on revaluation of tangible fixed assets	-	(2,611)	-	(2,611)
<i>Transactions with owners of the Company</i>				
Dividend paid	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	<b>1,501</b>	<b>38,849</b>	<b>14,041</b>	<b>54,391</b>

# Chamberlain Hotels Limited

## Notes

*forming part of the financial statements*

### **1 Reporting entity**

Chamberlain Hotels Limited is a company incorporated in the United Kingdom. The Company's registered office is 245 Broad Street, Birmingham, England.

### **2 Significant accounting policies**

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

In these financial statements the Company has adopted early FRS 101 and for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 20.

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information;
- the effects of new but not yet effective IFRSs; and
- an additional balance sheet for the beginning of the earliest comparative period following transition.

As the consolidated financial statements of Vesway Limited include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- certain disclosures required by IAS 36 *Impairment of Assets*.

# Chamberlain Hotels Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2013 for the purposes of the transition to FRS 101.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

#### **Basis of measurement**

These financial statements have been prepared on the historical cost basis.

#### **Functional currency**

These financial statements are presented in Sterling, being the functional currency of the Company. All financial information presented in Sterling has been rounded to the nearest thousand, except where otherwise stated.

#### **Use of estimates and judgements**

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

The key accounting judgement and estimate in these financial statements is:

- Carrying amount of tangible fixed assets – Note 7.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### **Going concern**

The financial statements have been prepared on the going concern basis.

#### **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Company uses market observable data as far as possible.

# Chamberlain Hotels Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

#### **Revenue**

Revenue represents sales (excluding VAT and similar taxes) of goods and services net of trade discounts provided in the normal course of business.

Revenue is derived from hotel operations and includes the rental of rooms, food and beverage sales, and other revenue. Revenue is recognised when rooms are occupied and food and beverages are sold.

The Group operates a loyalty programme. Revenue is allocated between the loyalty programme and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

#### **Leases**

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's balance sheet. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



# Chamberlain Hotels Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

#### **Finance income and finance costs**

The Company's finance income and finance costs include:

- interest expense;
- interest income; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expenses is recognised using the effective interest method.

#### **Tax**

Income expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

# Chamberlain Hotels Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

#### **Foreign currency**

##### ***Foreign currency transactions***

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated

#### **Tangible fixed assets**

##### **Recognition and measurement**

Freehold and long-term leasehold (lease term 99 years or above) land and buildings are measured at fair value.

Revaluation gains are credited to other comprehensive income and accumulated in equity within the revaluation reserve unless it represents the reversal of an impairment of the same asset previously recognised in profit or loss, in which case it should be recognised in profit or loss. A decrease arising as a result of a revaluation is recognised in profit or loss to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset. Otherwise it is recognised in other comprehensive income.

If significant parts of an item of tangible fixed assets have different useful lives, then they are accounted for as separate items (major components) of tangible fixed assets.

Any gain or loss on disposal of an item of tangible fixed assets is recognised in profit or loss.

##### **Other tangible fixed assets**

Other tangible fixed assets are measured at cost less accumulated depreciation and impairment. Impairment losses are recognised in profit and loss.

# Chamberlain Hotels Limited

## Notes *(continued)*

### 2 Significant accounting policies *(continued)*

#### Tangible fixed assets *(continued)*

##### Depreciation

No depreciation is provided on land. Other tangible fixed assets are depreciated to a residual value over the estimated useful lives which are as follows:

Buildings Core	30 to 125 years
Buildings Non Core	30 years
Plant	20 years
Fixtures, fittings and equipment	5 to 10 years

Depreciation is charged to the income statement on a straight line basis over the estimated useful life. Residual value is reassessed annually.

##### Impairment

Individual items of tangible fixed assets are reviewed for impairment annually and tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that do not generate independent cash flows are combined into cash generating units. If carrying amounts exceed estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

##### Pension

###### ***Defined contribution plans***

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

###### ***Defined benefit plans***

The Company is a participating employer in group defined benefit schemes operated by Jurys Hotel Management Limited, providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by IAS 19 '*Employee benefits*', accounts for the schemes as if they were defined contribution schemes. As a result the amount charged to profit or loss account represents the contributions payable to the schemes in respect of the accounting year.

# Chamberlain Hotels Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

#### **Inventories**

Inventories are measured at the lower of cost and net realisable value.

#### **Trade and other receivables**

Trade and other receivables are measured at their nominal amount less any allowance for doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

#### **Financial instruments**

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

#### ***(i) Non-derivative financial assets and financial liabilities – recognition and derecognition***

The Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

# Chamberlain Hotels Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

#### ***(ii) Non-derivative financial assets – measurement***

##### *Loans and receivables*

These assets are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

##### *Cash and cash equivalents*

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

#### ***(iii) Non-derivative financial liabilities – measurement***

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

#### ***(iv) Ordinary shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

#### **Provisions and contingent liabilities**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

# Chamberlain Hotels Limited

## Notes *(continued)*

### 3 Staff numbers and costs

The average number of persons, including executive directors, employed by the Company, during the year was 116 (2013: 111).

The aggregate payroll costs of these persons were as follows:

	2014 £'000	2013 £'000
Wages and salaries	2,149	1,972
Social security costs	111	104
Pension costs	21	19
	<hr/>	<hr/>
	2,281	2,095
	<hr/> <hr/>	<hr/> <hr/>

### 4 Finance costs

	2014 £'000	2013 £'000
Interest expense on intercompany loans	1,239	739
Interest on finance leases	86	78
	<hr/>	<hr/>
	1,325	817
	<hr/> <hr/>	<hr/> <hr/>

# Chamberlain Hotels Limited

## Notes *(continued)*

### 5 Profit on ordinary activities before taxation

	2014 £'000	2013 £'000
The profit is stated after charging:		
Auditor's remuneration		
Audit services	-	-
Other assurance services	-	-
Tax services	-	-
Other	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	£'000	£'000
Directors' remuneration	-	-
Depreciation	1,287	1,485
	<hr/>	<hr/>

The directors' and auditor's remuneration is borne by another group company.

# Chamberlain Hotels Limited

## Notes *(continued)*

### 6 Income taxes

#### (a) Amounts recognised in profit or loss

	2014 £'000	2013 £'000
<b>Current tax</b>		
UK	-	-
	<hr/>	<hr/>
	-	-
Adjustment in respect of prior years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<b>Deferred tax</b>		
Timing adjustments	64	11
Adjustment in respect of previous years	(281)	(408)
Impact of change in rates	(4)	(110)
	<hr/>	<hr/>
Total	(221)	(507)
	<hr/>	<hr/>
Tax credit on profit	(221)	(507)
	<hr/>	<hr/>



# Chamberlain Hotels Limited

## Notes (continued)

### 6 Income taxes (continued)

#### (b) Reconciliation to total tax

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	1,621	1,053
Profit on ordinary activities at standard corporation tax rate in the UK of 21.5% (Year ended 31 December 2013: 23.25%)	348	245
Group relief claimed	(734)	(965)
Expenses not deductible for tax purposes	450	434
Impact of change in rates	(4)	187
Adjustment in respect of previous periods	(281)	(408)
	(221)	(507)

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset/liability at the balance sheet date has been calculated based on the rate of 20% enacted at the balance sheet date.

# Chamberlain Hotels Limited

## Notes (continued)

### 6 Income taxes (continued)

#### (c) Movements in deferred tax balances

	1 January 2014 £'000	Recognised in profit or loss £'000	Recognised in OCI £'000	Recognised in equity £'000	31 December 2014 £'000
<b>Deferred tax liabilities</b>					
Tangible fixed assets –					
Unrealised chargeable gains	5,608	-	2,611	-	8,219
Other timing differences	(5)	(3)	-	-	(8)
Tangible fixed assets –					
Allowances	736	(218)	-	-	518
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	6,339	(221)	2,611	-	8,729
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1 January 2013 £'000	Recognised in profit or loss £'000	Recognised in OCI £'000	Recognised in equity £'000	31 December 2013 £'000
<b>Deferred tax liabilities</b>					
Tangible fixed assets –					
Unrealised chargeable gains	6,567	-	(959)	-	5,608
Other timing differences	(2)	(3)	-	-	(5)
Tangible fixed assets –					
Allowances	1,240	(504)	-	-	736
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	7,805	(507)	(959)	-	6,339
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# Chamberlain Hotels Limited

## Notes (continued)

### 7 Tangible assets

	Long lease and Freehold Land and Buildings £'000	Plant, Fixtures, Fittings and Properties £'000	Total £'000
<b>Cost:</b>			
At beginning of year	33,988	13,520	47,508
Additions	243	142	385
Elimination of depreciation on revaluation			
Gain on revaluation (P&L)	-	-	-
Gain on revaluation (OCI)	17,243	-	17,243
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2014</b>	<b>51,474</b>	<b>13,662</b>	<b>65,136</b>
	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>			
At beginning of year	(323)	(5,955)	(6,278)
Charge for year	(379)	(908)	(1,287)
Elimination of depreciation on revaluation			
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2014</b>	<b>(702)</b>	<b>(6,863)</b>	<b>(7,565)</b>
	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>			
<b>31 December 2014</b>	<b>50,772</b>	<b>6,799</b>	<b>57,571</b>
	<hr/>	<hr/>	<hr/>
31 December 2013	33,673	7,565	41,238
	<hr/>	<hr/>	<hr/>

In line with the Group's accounting policies Freehold and long-term leasehold (lease term 99 years or above) land and buildings are measured at fair value.

Revaluation gains are credited to other comprehensive income and accumulated in equity within the revaluation reserve unless it represents the reversal of an impairment of the same asset previously recognised in profit and loss, in which case it should be recognised in profit or loss. A decrease arising as a result of a revaluation is recognised as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

In accordance with the Group's accounting policies, the directors undertake an annual review of the carrying value of all other fixed assets to determine whether there is any indication of impairment. An impairment test was performed at 31 December 2013 by comparing the carrying amount of these assets to their recoverable amounts.

# Chamberlain Hotels Limited

## Notes (continued)

### 7 Tangible assets (continued)

The recoverable amount is determined as the higher of value in use and fair value less costs of disposal. In determining an asset's recoverable amount the directors are required to make judgements, estimates and assumptions that impact on the carrying value of the properties. The estimates and assumptions used are based on historical experience and other factors that are believed to be reasonable based on information available.

The estimated fair values of the long lease and freehold land and buildings would increase (decrease) if:

- the discount rate was (higher)/lower;
- the trading performance of the hotels improved (declined); or
- market yields (increased)/decreased.

### 8 Debtors

	2014 £'000	2013 £'000
Trade debtors	482	587
Prepayments	277	235
Amount owed by group undertakings	39,437	34,655
	<hr/>	<hr/>
	40,196	35,477
	<hr/>	<hr/>
	2014 £'000	2013 £'000
Due within one year	40,196	35,477
Due after one year	-	-
	<hr/>	<hr/>

### 9 Creditors: amounts falling due within one year

	2014 £'000	2013 £000
Trade creditors	424	313
Accruals	598	575
Finance lease liability (see note 11)	97	78
VAT	348	292
Capital accruals	40	44
Amounts owed to group undertakings (see note 11)	32,405	30,650
	<hr/>	<hr/>
	33,912	31,952
	<hr/>	<hr/>

# Chamberlain Hotels Limited

## Notes *(continued)*

### 10 Finance lease liability

	2014 £'000	2013 £000
<b>Amounts falling due after one year</b>		
Finance lease liability (see note 11)	807	574
	<u>          </u>	<u>          </u>

### 11 Loans and borrowings

	2014 £'000	2013 £000
<b>(i) Due within one year</b>		
Finance lease liability	97	78
Intercompany loan (A)	5,409	4,900
Intercompany loan (B)	26,979	25,739
Intercompany loan (C)	17	11
	<u>          </u>	<u>          </u>
	32,502	30,728
	<u>          </u>	<u>          </u>
<b>(ii) Due after one year</b>		
Finance lease liability	807	574
	<u>          </u>	<u>          </u>

# Chamberlain Hotels Limited

## Notes (continued)

### 11 Loans and borrowings (continued)

<b>(iii) Finance lease liability</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£000</b>
<b>Future minimum lease payments</b>		
Within one year	108	78
Between one and five years	433	313
Between five and ten years	542	392
Between ten and 20 years	1,083	783
Beyond 20 years	6,823	5,010
	<hr/>	<hr/>
	8,989	6,576
	<hr/>	<hr/>
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£000</b>
<b>Interest</b>		
Within one year	11	(8)
Between one and five years	139	(101)
Between five and ten years	320	(232)
Between ten and 20 years	886	(641)
Beyond 20 years	6,729	(4,942)
	<hr/>	<hr/>
	8,085	(5,924)
	<hr/>	<hr/>
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£000</b>
<b>Present value of minimum lease payments</b>		
Within one year	97	70
Between one and five years	294	212
Between five and ten years	222	160
Between ten and 20 years	197	142
Beyond 20 years	94	68
	<hr/>	<hr/>
	904	652
	<hr/>	<hr/>

All of the present value of the minimum lease payments relate to leasehold properties that have a remaining lease term of over 50 years.

# Chamberlain Hotels Limited

## Notes (continued)

### 12 Called up share capital

	2014 £	2013 £
<i>Authorised</i>		
Ordinary shares of £1 each	2,000,000	2,000,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	1,500,900	1,500,900
	<hr/>	<hr/>

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. "A", "B" and "C" ordinary shares have the same rights attached and rank *pari passu* in all respects.

Non-voting shareholders are not entitled to request, attend or vote at any general meeting. Neither are they entitled to receive more than the amount paid up. In all other respects, non-voting shares rank *pari passu* with ordinary shares.

13 Dividends	2014 £'000	2013 £'000
Final dividends paid in respect of the prior year but not recognised as liabilities in that year	-	-
Interim dividends paid in respect of current year	-	25,000
Aggregate amount of dividends paid in the financial year	<hr/> - <hr/>	<hr/> 25,000 <hr/>

On 17 May 2013 the board proposed and approved the payment of an interim dividend.

### 14 Pensions

The Company participates in a group defined benefit scheme operated by Jurys Hotel Management Limited, which is the legal sponsor of the scheme.

Therefore the Company has accounted for it as a defined contribution scheme. The UK defined benefit scheme was closed to future accrual in 2011. Full details of the schemes are disclosed in the consolidated financial statements of the Company's intermediate parent, Vesway Limited.

The total defined contribution pension charge for the year amounted to £21,123 (2013: £18,450).

# Chamberlain Hotels Limited

## Notes *(continued)*

### **15 Commitments**

At 31 December 2014, the Company had capital commitments of £40,000 (2013: *£nil*).

### **16 Group relationships and controlling parties**

The Company is a wholly owned subsidiary of Jurys Hotel Management (UK) Limited which in turn is an indirect wholly owned subsidiary of Vesway Limited. The Vesway Limited consolidated financial statements, which include the results of the Company, are available from 146 Pembroke Road, Ballsbridge, Dublin 4, Ireland.

The ultimate controlling party is LSREF III Malin Mezzco Limited, which is incorporated in Ireland.

### **17 Related parties**

The Company has availed of the exemptions available in FRS 101 from disclosing transactions entered into between two or more members of a group and also key management personnel compensation disclosures.

There were no other related party transactions.

### **18 Guarantees**

The Company has extended a composite guarantee and indemnity incorporating cross guarantees and indemnities and a composite debenture incorporating first floating charges over all assets as security against Group borrowings. It has also issued a negative pledge in respect of other bank borrowings of group undertakings.

### **19 Subsequent events**

There were no events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.



# Chamberlain Hotels Limited

## Notes *(continued)*

### **20 Explanation of transition to FRS 101**

As stated in note 2, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2014, the comparative information presented in these financial statements for the year ended 31 December 2013 and in the preparation of an opening FRS 101 balance sheet at 1 January 2013 (the Company's date of transition).

In preparing its opening FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with UK GAAP (previous GAAP). An explanation of how the transition from previous GAAP to FRS 101 has affected the Group's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

# Chamberlain Hotels Limited

## Notes *(continued)*

### 20 Explanation of transition to FRS 101 *(continued)*

Profit and loss account  
for the year ended 31 December 2013

	Notes	UK GAAP £'000	Effect of Transition £'000	FRS 101 £'000
<b>Turnover</b>		10,641	-	10,641
Cost of sales	(a)	(8,833)	70	(8,763)
		<hr/>	<hr/>	<hr/>
<b>Gross profit</b>		1,808	70	1,878
Administrative expenses		(8)	-	(8)
		<hr/>	<hr/>	<hr/>
<b>Operating profit</b>		1,800	70	1,870
Finance costs	(a)	(739)	(78)	(817)
		<hr/>	<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		1,061	(8)	1,053
Income tax benefit		507	-	507
		<hr/>	<hr/>	<hr/>
<b>Profit for the year</b>		1,568	(8)	1,560
		<hr/>	<hr/>	<hr/>

# Chamberlain Hotels Limited

## Notes (continued)

### 20 Explanation of transition to FRS 101 (continued)

Statement of other comprehensive income  
for the year ended 31 December 2013

	UK GAAP £'000	Effect of Transition £'000	FRS 101 £'000
Profit for the year	1,568	(8)	1,560
<b>Items that will never be reclassified to profit and loss:</b>			
Unrealised loss on revaluation of tangible fixed assets	-	-	-
Tax on unrealised loss on revaluation of tangible fixed assets	(b) -	959	959
Unrealised loss/gain on revaluation of investment property	(248)	-	(248)
Tax on unrealised gain on revaluation of tangible fixed assets	-	-	-
	(248)	959	711
<b>Items that are or may be reclassified to profit or loss:</b>			
Foreign operations – foreign currency translation differences	-	-	-
	-	-	-
<b>Other comprehensive income, net of tax</b>	(248)	959	711
<b>Total comprehensive income for the year</b>	1,320	951	2,271

# Chamberlain Hotels Limited

## Notes (continued)

### 20 Explanation of transition to FRS 101 (continued)

Balance sheet

as at 31 December 2013

	Notes	UK GAAP £'000	Effect of Transition £'000	FRS 101 £'000
<b>Fixed assets</b>				
Tangible assets	(a)	40,594	644	41,238
Current assets				
Stocks		38	-	38
Debtors		35,477	-	35,477
Cash at bank and in hand		29	-	29
		35,544	-	35,544
Creditors: amounts falling due within one year	(a)	(31,874)	(78)	(31,952)
Net current assets		3,670	(78)	3,592
Total assets less current liabilities		44,264	566	44,830
Creditors: amounts falling after one year				
Deferred tax	(b)	(731)	(5,608)	(6,339)
Finance lease liability	(a)	-	(574)	(574)
Net assets		43,533	(5,616)	37,917
Capital and reserves				
Called up share capital		1,501	-	1,501
Revaluation reserve	(b)	29,825	(5,608)	24,217
Profit and loss account	(a)	12,207	(8)	12,199
Shareholder's funds		43,533	(5,616)	37,917

# Chamberlain Hotels Limited

## Notes (continued)

### 20 Explanation of transition to FRS 101 (continued)

Balance sheet  
as at 1 January 2013

	Notes	UK GAAP £'000	Effect of Transition £'000	FRS 101 £'000
<b>Fixed assets</b>				
Tangible assets	(a)	42,099	652	42,751
Current assets				
Stocks		38	-	38
Debtors		31,474	-	31,474
Cash at bank and in hand		35	-	35
		31,547	-	31,547
Creditors: amounts falling due within one year	(a)	(5,195)	(78)	(5,273)
Net current assets		26,352	(78)	26,274
Total assets less current liabilities		68,451	574	69,025
Creditors: amounts falling due after one year				
Deferred tax	(b)	(1,238)	(6,567)	(7,805)
Finance lease liability	(a)	-	(574)	(574)
Net assets		67,213	(6,567)	60,646
Capital and reserves				
Called up share capital		1,501	-	1,501
Revaluation reserve	(b)	30,073	(6,567)	23,506
Profit and loss account		35,639	-	35,639
Shareholder's funds		67,213	(6,567)	60,646

# Chamberlain Hotels Limited

## Notes (continued)

### 20 Explanation of transition to FRS 101 (continued)

#### (a) Finance leases

On transition to FRS 101 certain finance lease liabilities were recognised with the corresponding amount recognised in property plant and equipment.

	Previous GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
<b>Balance sheet as at 31 December 2013</b>			
Tangible fixed assets	40,594	644	41,238
Finance lease liability (< 1 year)	-	(78)	(78)
Finance lease liability (> 1 year)	-	(574)	(574)
<b>Balance sheet as at 1 January 2013</b>			
Tangible fixed assets	42,099	652	42,751
Finance lease liability (> 1 year)	-	(574)	(574)
	Previous GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
<b>Income statement for the year ended 31 December 2013</b>			
Cost of sales	(8,833)	70	(8,763)
Finance costs	(739)	(78)	(817)

# Chamberlain Hotels Limited

## Notes (continued)

### 20 Explanation of transition to FRS 101 (continued)

#### (b) Capital gains tax liabilities

In accordance with UK GAAP deferred tax liabilities were not recognised on revaluation uplifts of tangible fixed assets. In accordance with FRS 101, deferred tax is recognised in respect of all temporary differences, including revaluation movements on tangible fixed assets.

On transition to FRS 101 the corresponding debit to the CGT liability is recognised in revaluation reserve to the extent that it relates a property with a positive revaluation reserve with any excess recognised in retained earnings. Subsequent to the transition to FRS 101 any movements in the CGT liability are recognised in OCI (revaluation reserve) to the extent that they relate to properties with positive revaluation reserve balances. Otherwise they are recognised in profit or loss.

	Previous GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
<b>Statement of comprehensive income for the year ended 31 December 2013</b>			
Tax on unrealised gain on property, plants and equipment	-	959	959

	Previous GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
<b>Income statement for the year ended 31 December 2013</b>			
Income taxes	-	-	-

	Previous GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
<b>Balance sheet as at 31 December 2013</b>			
Deferred tax liability	(731)	(5,608)	(6,339)
Revaluation reserve	29,825	(5,608)	24,217
<b>Balance sheet as at 1 January 2013</b>			
Deferred tax liability	(1,238)	(6,567)	(7,805)
Revaluation reserve	30,073	(6,567)	23,506

# Chamberlain Hotels Limited

## Notes *(continued)*

### 20 Explanation of transition to FRS 101 *(continued)*

#### (c) Retained earnings

	31 Dec 2013 £'000	1 Jan 2013 £'000
<b>Previous GAAP</b>	12,207	35,639
Finance leases – depreciation <i>(a)</i>	(8)	-
<b>FRS 101</b>	<u>12,119</u>	<u>35,639</u>

#### (d) Date of transition

The Company's date of transition to FRS 101 is 1 January 2013, while its parent Vesway Limited has a transition date of 1 January 2012. The Company has availed of the optional exemption permitting it to measure its assets and liabilities at the amounts included in the consolidated financial statements of Vesway Limited, excluding the effects of consolidation procedures and the business combination in which Vesway Limited acquired the Company.

### 21 Approval of financial statements

The financial statements were approved by the directors on 26 November 2015.