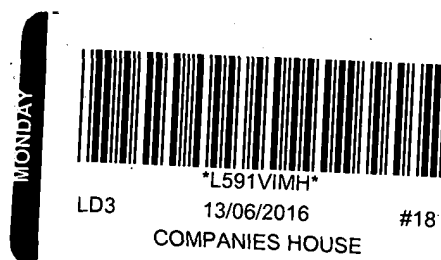


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Financial statements for the year ended 31
December 2015

Rubens Management Services Limited



RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

COMPANY INFORMATION

Directors

J J Raggett
V O'Hana

Company Secretary

S Royce

Company registration number

03319826

Registered office

35 Charles Street
London
W1J 5EB

Auditor

Mazars LLP
Chartered Accountants and
Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was hotel operations and management. The company operates a four star hotel in London.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

There has been an increase in revenue of 5.0% in the year (2014: 7.6%) due to increases in room occupancy. EBITDA showed an increase of £51,005 in the year to £64,601 (2014: £13,596) due to an increase in gross profit.

In summary the key performance indicators that we use to monitor business performance are as follows:

Occupancy

Average room rates

Revenue per available room

EBITDA (Earnings before interest, taxation, depreciation and amortisation)

The company is currently in a net liability position with total liabilities exceeding total assets by £10,497,145 (2014: £9,883,553) and is reliant on the support of its ultimate parent company.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £613,592 (2014: £575,188). The directors do not recommend the payment of a dividend (2014: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The directors acknowledge that they have responsibility for the company's systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the company.

No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the directors have regard to what controls, in their judgement, are appropriate to the company's business and to the relative costs and benefits of implementing specific controls.

The main risks that the company could face relate to factors that are common to the hotel industry and beyond the company's control, such as the global economic downturn, changes in travel patterns or in the structure of the travel industry and the increase in acts of terrorism.

Rubens Management Services Limited mitigates the risk of an economic downturn utilising financial support from The Travel Corporation. This allows them to manage short and medium term fluctuations in demand

Signed on behalf of the board of Directors on



J J Raggett
Director



RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on page 1. These matters relate to the review and analysis of the business, development and financial performance, future prospects and the principal risks and uncertainties.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 17 to the accounts.

CREDITOR PAYMENT POLICY

The company's current policy concerning the payment of trade creditors is:

- settle the terms of payment with supplies when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contract; and
- pay in accordance with the company's contractual and other legal obligations.

DIRECTORS

The directors who served the company during the year and to the date of this report were as follows:

J J Raggett
V O'Hana

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

GOING CONCERN

Having made appropriate enquiries, the directors consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the financial statements.

POLITICAL CONTRIBUTIONS

The company made no political contributions during the financial year (2014: £nil).

DISCLOSURE OF INFORMATION TO THE 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

AUDITOR


It is proposed that Mazars LLP will continue in office in accordance with the Companies Act 2006 Section 487(2).

Signed by order of the board of Directors



J J Raggett
Director

Date:



RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; 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 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.

RUBENS MANAGEMENT SERVICES LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
RUBENS MANAGEMENT SERVICES LIMITED****YEAR ENDED 31 DECEMBER 2015**

We have audited the financial statements of Rubens Management Services Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities 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 Ethical Standards for Auditors. 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.

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 web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

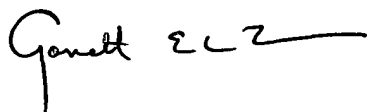
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

RUBENS MANAGEMENT SERVICES LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
RUBENS MANAGEMENT SERVICES LIMITED *(continued)*****YEAR ENDED 31 DECEMBER 2015**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Gareth Jones (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 17/5/16

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

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

	Note	2015 £	2014 £
Revenue	2	10,735,890	10,222,988
Cost of sales		(8,685,651)	(8,240,096)
Gross profit		2,050,239	1,982,892
Administrative expenses		(2,800,040)	(2,782,512)
Loss from operations	3	(749,801)	(799,620)
Finance costs	5	(84,805)	(84,805)
Net financing cost		(84,805)	(84,805)
Loss before taxation		(834,606)	(884,425)
Taxation credit	6	221,014	309,237
Loss for the year		(613,592)	(575,188)
Total comprehensive loss for the year attributable to equity holders		(613,592)	(575,188)

The notes on pages 11 to 24 form part of these financial statements.

All results relate to continuing operations.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
Non-current assets			
Property, plant and equipment	8	3,309,279	3,354,089
Amounts owed by related parties	20	7,709,024	6,693,900
		<u>11,018,303</u>	<u>10,047,989</u>
Current assets			
Inventories	9	93,555	123,888
Trade and other receivables	10	845,095	774,030
Amounts owed by related parties	11	14,500,000	14,500,000
Cash and cash equivalents	12	101,920	112,217
		<u>15,540,570</u>	<u>15,510,135</u>
Total assets		<u>26,558,873</u>	<u>25,558,124</u>
Non-current liabilities			
Amounts due to related parties	13	23,902,984	22,348,921
Current liabilities			
Trade and other payables	14	364,188	392,596
Amounts due to related parties	15	12,500,000	12,500,000
Deferred income	16	288,846	200,160
		<u>13,153,034</u>	<u>13,092,756</u>
Total liabilities		<u>37,056,018</u>	<u>35,441,677</u>
Equity			
Share capital	21	500,000	500,000
Reserves		(10,997,145)	(10,383,553)
Total equity		<u>(10,497,145)</u>	<u>(9,883,553)</u>
Total liabilities and equity		<u>26,558,873</u>	<u>25,558,124</u>

The notes on pages 11 to 24 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 16th May 2016 and are signed on their behalf by:J J Raggett
Director

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

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

	Share capital £	Reserves £	Total £
At 1 January 2014	500,000	(9,808,365)	(9,308,365)
Total comprehensive income for the year	-	(575,188)	(575,188)
At 1 January 2015	500,000	(10,383,553)	(9,883,553)
Total comprehensive income for the year	-	(613,592)	(613,592)
At 31 December 2015	500,000	(10,997,145)	(10,497,145)

The notes on pages 11 to 24 form part of these financial statements.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Cash flows from operating activities			
Loss after taxation		(613,592)	(575,188)
<i>Adjustments for:</i>			
Depreciation	7	814,402	813,216
Finance costs	5	84,805	84,805
Taxation	6	(221,014)	(309,237)
		<hr/>	<hr/>
Profit from operations before changes in working capital		64,601	13,596
Decrease/(increase) in inventories		30,333	(40,362)
(Increase)/decrease in trade and other receivables		(71,065)	3,265
(Decrease)/increase in trade and other payables		(28,408)	24,595
Increase in deferred income		88,686	97,952
		<hr/>	<hr/>
Cash generated from/(used in) operations		84,147	99,046
Interest paid	5	(84,805)	(84,805)
Tax received	6	221,014	309,237
		<hr/>	<hr/>
Net cash generated from operating activities		220,356	323,478
		<hr/>	<hr/>
Cash flows used in investing activities			
Purchase of property, plant and equipment	7	(769,592)	(372,349)
		<hr/>	<hr/>
Net cash used in investing activities		(769,592)	(372,349)
		<hr/>	<hr/>
Cash flows generated from financing activities			
Increase in amounts due to related parties		1,554,063	1,317,954
Increase in amounts due from related parties		(1,015,124)	(1,279,204)
		<hr/>	<hr/>
Net cash generated from financing activities		538,939	38,750
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(10,297)	(10,121)
Cash and cash equivalents at 1 January		112,217	122,338
		<hr/>	<hr/>
Cash and cash equivalents at 31 December	11	101,920	112,217
		<hr/>	<hr/>

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

General information

Rubens Management Services Limited is a company incorporated and domiciled in the United Kingdom. The address of the registered office in the United Kingdom is stated on the company information page and the nature of the company's operations and principal activities are stated in the Strategic Report. The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment that the company operates in.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These financial statements have been prepared under historical cost convention. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Revenue recognition

Revenue is recognised from the sale of goods and services from the company's ordinary activities.

Revenue is recognised from the sale of services when the amount can be measured reliably and is stated after trade discounts and other sales taxes, and is net of VAT.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses.

Depreciation

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

Fixtures & Fittings	- 10% straight line
Equipment	- 20% straight line

Inventories

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

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Financial instruments

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

Financial assets

The company's financial assets include cash and cash equivalents and trade and other receivables. All financial assets are initially recognised at fair value plus transaction costs, when the company becomes party to the contractual provisions of the instrument.

Interest and other cash flows resulting from holding financial assets are recognised in the statement of comprehensive income using the effective interest method.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Financial assets (continued)

Provision for impairment of trade, related party receivables and other receivables is made when objective evidence is received that the company will not be able to collect all amounts due to it in accordance with the original terms of the receivable. The amount of the impairment is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Any change in their value through impairment or reversal of impairment is recognised in the statement of comprehensive income.

A financial asset is derecognised if the contractual rights to receive the cash flows of the asset have been transferred or the company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the company transfers substantially all the risks and rewards of ownership of the asset.

Financial liabilities

The company's financial liabilities include related party loans, trade and other payables and liabilities at fair value through profit and loss. Financial liabilities are recognised when the company becomes a party to the contractual agreement of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of comprehensive income using the effective interest method.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the statement of comprehensive income when liabilities are derecognised or impaired, as well as through the amortisation process

Classification as equity or financial liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

As shown in the accompanying financial statements, the company's total liabilities exceed its total assets by £10,497,145 at 31 December 2015. The company's ultimate parent has represented that it will continue to provide ongoing financial support to enable the company to meet its financial obligations and that the company will not be required to pay obligations owed to any group entities while its liabilities exceed its assets. The ability of the company to continue as a going concern is dependent on this ongoing financial support and based on this they continue to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements do not include any adjustments that might be necessary if the company is unable to continue as a going concern.

New standards, interpretations and amendments effective from 1 January 2015

None of the new standards, interpretations and amendments effective for the first time from 1 January 2015, as stated below, have had a material effect on the financial statements.

New standards and interpretations not yet applied (potentially relevant to the company)

IAS 1 – Presentation of Financial Statements - Amendments resulting from the disclosure initiative – *Effective for annual periods beginning on or after 1 January 2016*

IAS 7 – Statement of Cash Flows - Amendments resulting from the disclosure initiative – *Effective for annual periods beginning on or after 1 January 2017*

IAS 12 – Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses – *Effective for annual periods beginning on or after 1 January 2017*

IAS 16 - Financial instruments – Property, Plant and Equipment – Clarification of acceptable methods of depreciation and amortisation – *Effective for annual periods beginning on or after 1 January 2016*

IAS 19 - Employee Benefits - Amendments resulting from September 2014 Annual Improvements to IFRSs – *Effective for annual periods beginning on or after 1 January 2016*

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual Improvements to IFRSs – *Effective for annual periods beginning on or after 1 January 2016*

IFRS 7 – Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs – *Effective for annual periods beginning on or after 1 January 2016*

IFRS 9 – Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition – *Effective for annual periods beginning on or after 1 January 2018*

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Critical accounting judgements and sources of estimate uncertainty

The company's significant accounting policies are outlined in note 1 to the financial statements. The company Directors are required to conclude annually that the residual value of the property held exceeds the carrying value in the statement of financial position therefore eliminating the requirement for it to be depreciated. None of the other significant accounting policies require the Directors to make difficult, subjective or complex judgements or estimates.

2. REVENUE

All revenue is generated in the UK from the company's principal activity.

3. LOSS FROM OPERATIONS

Operating loss for the year is stated after charging:	2015	2014
	£	£
Depreciation of property, plant and equipment	814,402	813,216
Auditor's remuneration - as auditor	12,993	11,433
- taxation services	925	925
Operating lease costs:		
Land and buildings	1,780,908	1,398,639

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the financial year amounted to:

	2015	2014
	Number	Number
Management staff	15	13
Other staff – service	138	137
	<u>153</u>	<u>150</u>

The aggregate payroll costs of the above were:	2015	2014
	£	£
Wages and salaries	2,852,532	2,826,526
Social security costs	232,934	235,207
Other pension costs (note 16)	21,236	18,895
	<u>3,106,702</u>	<u>3,080,628</u>

No salaries or wages have been paid to the directors in the current or prior year and no contributions were made to a pension on behalf of a director (2014: £nil).

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

5. FINANCE COSTS	2015	2014
	£	£
Interest payable on loans from related parties (note 19)	84,805	84,805

6. TAXATION

(a) Analysis of credit in the year	2015	2014
	£	£
Current tax:		
Adjustment in respect of prior years	221,014	309,237
Total tax charge	221,014	309,237

(b) Factors affecting current tax credit

The tax assessed on the loss for the year varies from the effective rate of corporation tax in the UK of 20.25% (2014: 21.49%).

	2015	2014
	£	£
Loss before taxation	(834,606)	(884,425)
Loss at effective rate of 20.25% (2014: 21.49%)	(168,979)	(190,091)
Expenses not deductible for tax purposes	5,830	29,895
Depreciation in excess of capital allowances claimed	23,505	122,604
Adjustment in respect of prior years	(221,014)	(309,237)
Other temporary differences	267	22
Utilisation of tax losses	139,377	37,570
Total current tax credit (note 6(a))	(221,014)	(309,237)

(c) Factors that may affect future tax charges

No provision has been made for the deferred tax asset of £617,509 calculated at 18% (2014: £754,093 calculated at 20%) arising from depreciation of equipment, fixtures and fittings in excess of taxation allowances available and available losses because the timing of profits is uncertain.

The claim for taxation allowances and the recoverability of the deferred tax asset is dependent on the availability of sufficient future taxable profits of the company against which unused taxation allowances and losses can be utilised. In such circumstances the company recognises that, at the statement of financial position date, it may not be appropriate to provide for the deferred tax asset.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2015**

7. PROPERTY, PLANT AND EQUIPMENT	Fixtures & fittings £	Equipment £	Total £
Cost			
At 1 January 2014	7,811,651	1,167	7,812,818
Additions	335,725	36,624	372,349
Disposals	(524,471)	-	(524,471)
At 31 December 2014	7,622,905	37,791	7,660,696
Additions	744,655	24,937	769,592
Disposals	(251,745)	-	(251,745)
At 31 December 2015	8,115,815	62,728	8,178,543
Depreciation			
At 1 January 2014	4,017,511	351	4,017,862
Charge for the year	807,170	6,046	813,216
Eliminated on disposal	(524,471)	-	(524,471)
At 31 December 2014	4,300,210	6,397	4,306,607
Charge for the year	802,272	12,130	814,402
Eliminated on disposal	(251,745)	-	(251,745)
At 31 December 2015	4,850,737	18,527	4,869,264
Net book value			
At 1 January 2014	3,794,140	816	3,794,956
At 31 December 2014	3,322,695	31,394	3,354,089
At 31 December 2015	3,265,078	44,201	3,309,279
8. INVENTORIES		2015 £	2014 £
Goods for resale		76,962	76,769
Other operating supplies		16,593	47,119
		93,555	123,888

RUBENS MANAGEMENT SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2015**

9. TRADE AND OTHER RECEIVABLES	2015	2014
	£	£
Trade receivables	365,078	328,638
Other receivables	60,466	40,466
Prepayments and accrued income	419,551	404,926
	<u>845,095</u>	<u>774,030</u>

The ageing analysis of trade receivables is as follows:

	2015	2014
	£	£
Neither past due nor impaired	317,972	289,655
Between 31 and 60 days	34,615	38,645
Between 61 and 90 days	9,495	338
Between 91 and 120 days	1,397	-
Over 121 days	1,599	-
	<u>365,078</u>	<u>328,638</u>

There is no provision for impairment of trade receivables as the directors believe all balances to be recoverable. The average credit period taken on services provided is 28 days.

10. AMOUNTS DUE FROM RELATED PARTIES	2015	2014
	£	£
Due in less than one year		
Amounts owed by related parties (note 19)	<u>14,500,000</u>	<u>14,500,000</u>

11. CASH AND CASH EQUIVALENTS	2015	2014
	£	£
Cash at bank	101,920	104,603
Call account	-	7,614
	<u>101,920</u>	<u>112,217</u>

Cash at bank bears interest at an effective rate of 0.00% (2014: 0.00%). Call account bears interest at an effective rate of 0.05% (2014: 0.21%).

12. AMOUNTS DUE TO RELATED PARTIES	2015	2014
	£	£
Due in greater than one year		
Amounts owed to related parties (note 19)	<u>23,902,984</u>	<u>22,348,921</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

13. TRADE AND OTHER PAYABLES	2015 £	2014 £
Social security and other taxes	74,045	63,122
Other payables	77,460	19,798
Accruals	212,683	309,676
	<u>364,188</u>	<u>392,596</u>

14. AMOUNTS DUE TO RELATED PARTIES	2015 £	2014 £
Amounts owed to related parties (note 19)	<u>12,500,000</u>	<u>12,500,000</u>

15. DEFERRED INCOME	2015 £	2014 £
Deferred income	<u>288,846</u>	<u>200,160</u>

Deferred income consists of amounts received in advance for services to be provided in the next financial year.

16. PENSIONS

The company contributes to a defined contribution scheme. Contributions are charged in the statement of comprehensive income as incurred. The pension cost charge of £21,236 (2014: £18,895) was paid to these funds. There were no outstanding contributions at year end (2014: £nil).

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, as follows:

- a) to finance its operations;
- b) to manage its exposure to interest risk from its operations and from its sources of finance; and
- c) for trading purposes.

In addition, various financial instruments (e.g. trade receivables and trade payables) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The company has no significant concentrations of credit risk. Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event of other parties failing to perform their obligations under financial instruments.

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The ultimate parent entity confirms that group liabilities will not be demanded whilst the company's liabilities exceed its assets. The loan with The Travel Corporation Limited is not due for repayment until 2027.

Liquidity risk

The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. Long term borrowing, where it exists, is funded from within the Travel Corporation group. The Travel Corporation Limited has guaranteed to provide any future funding requirements of the company to enable it to meet its liabilities as they fall due. Unless disclosed, related party receivables and loans do not bear interest and the directors are of the opinion that the carrying value is not materially different from the fair value.

Contractual Cash Flows

	Carrying amount £	Total cash flow £	6 months or less £	6 to 12 months £	1 to 2 years £	2 to 5 years £	More than 5 years £
Loan from group undertaking	10,952,302	13,047,993	-	-	-	-	13,047,993

Interest rate risk

The company is exclusively funded by related party borrowings.

Interest rate sensitivity analysis

Interest rate sensitivity analysis has been determined based on the exposure to interest rates for non-derivative instruments at the statement of financial position date. Based on the above assumptions if interest rates had been 0.5% higher/lower and all other variables were held constant, the directors have concluded that there would not be a material impact on the financial statements.

Foreign exchange risk

The company operates exclusively within the UK and is not directly exposed to foreign exchange risk. Hedging instruments are therefore not used and there would be no financial impact of a change in the exchange rates.

RUBENS MANAGEMENT SERVICES LIMITED

Company Registration No. 03319826

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital risk management

The company aims to manage its overall capital so as to ensure the company continues to operate as a going concern, whilst providing an adequate return to shareholders.

The company's capital structure represents the equity attributable to the shareholders of the company together with borrowings.

Term and debt repayment analysis

In respect of interest-bearing financial liabilities, the table below indicates their effective interest rates at the statement of financial position date.

	Nominal rate of interest	Year of maturity	2015		2014	
			Fair Value	Carrying amount	Fair value	Carrying amount
Unsecured loans from group undertakings	2.50%	2027	13,047,993	7,620,695	13,153,706	7,620,695
Interest accruing on the above unsecured loans from group undertakings	0.00%	2027	-	3,331,607	-	3,246,802
			13,047,993	10,952,302	13,153,705	10,867,497

Fair values of loans from related parties have been determined by discounting cash flow projections at rates of interest, having regard to the specific risks attached to them.

18. COMMITMENTS UNDER OPERATING LEASES

The company has entered into operating leases in respect of property and equipment. The total of future minimum lease payments due are as follows:

	Land and buildings	
	2015	2014
Expiry date:	£	£
Not later than one year:	1,300,000	1,300,000
Within two to five years	1,300,000	2,600,000
	2,600,000	3,900,000

RUBENS MANAGEMENT SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

19. RELATED PARTY TRANSACTIONS

During the year the company incurred expenses from related parties as follows:

		2015 £	2014 £
Red Carnation (U.K.) Limited	Management charges and recharges	1,877,771	1,845,081
Rubens Travcorp Limited	Rent	1,780,908	1,398,639
The Travel Corporation Limited	Loan interest	84,805	84,805
		<u> </u>	<u> </u>

Within other receivables (note 9) there is a balance due from Mr and Mrs Tollman, who have interests in the ultimate parent company, amounting to £40,466 (2014: £40,466). There has been no movement on the balance in the year. The balance does not accrue interest.

Amounts owing to related parties, which are unsecured and payable after more than one year:

	2015 £	2014 £
Ultimate parent company	10,952,302	10,867,497
Immediate parent company	470,858	470,858
Other related parties	12,479,824	11,010,566
	<u>23,902,984</u>	<u>22,348,921</u>

Amounts owing by related parties, which are unsecured and payable outside one year were provided on interest free loans to the following related parties:

	2015 £	2014 £
Milestone Hotel Management Services Limited	96,299	96,299
Red Carnation Hotels (U.K.) Limited	5,380,359	4,365,235
41 Buckingham Palace Road Limited	1,922,419	1,922,419
Mountbatten Limited	309,947	309,947
	<u>7,709,024</u>	<u>6,693,900</u>

RUBENS MANAGEMENT SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

19. RELATED PARTY TRANSACTIONS (continued)

The company had balances outstanding on interest free loans from the following related parties:

	2015 £	2014 £
Chesterfield (Mayfair) Limited	470,858	470,858
Montague Management Services Limited	5,583	5,583
Rubens Travcorp Limited	12,474,241	11,004,983
	<u>12,950,682</u>	<u>11,481,424</u>

Details of the company's immediate parent and of the ultimate controlling party are included at note 21.

Amounts owing by related parties, which are unsecured and recoverable on demand:

	2015 £	2014 £
41 Buckingham Palace Road Limited	6,500,000	6,500,000
Red Carnation Hotels (U.K.) Limited	8,000,000	8,000,000
	<u>14,500,000</u>	<u>14,500,000</u>

Amounts owed to related parties, which are unsecured and repayable on demand:

	2015 £	2014 £
Rubens Travcorp Limited	<u>12,500,000</u>	<u>12,500,000</u>

RUBENS MANAGEMENT SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

20. SHARE CAPITAL

	2015 Number	2015 £	2014 Number	2014 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	500,000	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Equity shares				
Ordinary shares of £1 each	500,000	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

21. CONTROLLING PARTY AND PARENT COMPANIES

The company's ultimate parent undertaking is The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The Travel Corporation Limited is considered to be the company's controlling party.

The largest group in which the results of the company are consolidated is that headed by The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The smallest group in which they are consolidated is that headed by Chesterfield (Mayfair) Limited, its immediate parent company, a company registered in England and Wales. Copies of the consolidated financial statements of Chesterfield (Mayfair) Limited are available to the public from the Registrar of Companies.

The financial statements of The Travel Corporation Limited are not available to the public.