

Company No: 04216917

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

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**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

COMPANY INFORMATION

DIRECTOR	B Matteson
REGISTERED OFFICE	3rd Floor, One London Square Cross Lanes Guildford Surrey GU1 1UN
AUDITOR	RSM UK Audit LLP Chartered Accountants 3rd Floor, One London Square Cross Lanes Guildford Surrey GU1 1UN

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

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**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

STRATEGIC REPORT

The Director presents the Strategic Report of the Group and Company (Company No: 04216917) for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Group and Company is property investment. The investment property comprises the Group's long leasehold interest in the Grosvenor House Hotel, Park Lane, London.

BUSINESS REVIEW

The Group's financial performance is presented in the consolidated statement of comprehensive income on page 9. The profit for the year attributable to the owners of the Group was £10,848,121 (2014: £23,868,301), which reflects a decrease due to expenses incurred and changing tax rates. At the end of the year, the consolidated statement of financial position showed total assets of £585,176,050 (2014: £583,679,061) and equity of £106,672,556 (2014: £95,824,435).

On the 13 July 2017, the Company changed its name from Sahara Grovenor House Hospitality Limited to GHH Holdings Limited.

No dividends were paid during the year and the Director does not recommend a dividend in respect of 2015 (2014: £Nil).

Company and Group rent receivable for the period amounted to £27,502,562 (2014: £27,110,804).

A valuation of the investment property was undertaken by the Director as at 31 December 2015. The property was valued on an open market basis at that date at £575,000,000. The property was previously valued by an independent firm of professional valuers in December 2014 at £550,000,000.

During the prior year, former related parties to the Group, Sahara Plaza LLC and Sahara Dreams LLC, breached the Debt Service Cover and Debt Yield Net-Off Debt Service Reserve Amount covenants in respect of their borrowings from Bank of China. This constituted an event of default in respect of these companies' borrowings. As a result of the cross default and cross-collateralisation arrangements between the Group and these former related parties, an event of default was also deemed to have occurred in respect of the Group's own borrowings from Bank of China.

On 2 March 2015, Deloitte LLP were appointed as Administrators to the Company by the Bank of China following the calling of the Group's bank loan as a result of the event of default. On 5 June 2015, the Bank of China loan was refinanced by a new third party lender on a short term basis.

POST BALANCE SHEET EVENTS

On 21 December 2016, the Group arranged a 12 month extension to its loan facility arrangements. This extension was to the satisfaction of the Administrators who resigned their appointment to the Group as at that date.

On 6 July 2017, the Company was acquired by GH Equity Limited, a company based in Jersey whose ultimate holding entity is 2013 Iconic Trust LLC, an entity registered in USA, and under the control of Ben Ashkenazy. The Group's cross-collateralised financing arrangements with the Sahara group were discharged as at that date. The Group's own financing arrangement was repaid in July 2017 and a new financing arrangement with the Company's new owners was put in place as at that date. As a result of the new financing arrangements put in place by the new owners, the Director considers it appropriate to prepare the financial statements on a going concern basis. Further detail of the funding arrangement is given in note 14 and 15 of the financial statements.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

STRATEGIC REPORT (Continued)

POST BALANCE SHEET EVENTS (Continued)

As part of the new financing arrangements, a charge dated 17 October 2017 was placed over the leasehold property which entitles the provider of the funds, Pinnacle Investments S.A., a call option to take a 51% stake in the leasehold property in the event of default.

KEY PERFORMANCE INDICATORS

The board of Directors reviews and monitors the following key performance indicators:

	2015	2014
	£	£
Investment property valuation	575,000,000	550,000,000
Rental income	27,502,562	27,110,804
Rental yield	4.7%	4.9%
Ratio of third party financing to property value	45%	52%

The Director considers that in view of current market conditions, performance against these areas was acceptable.

FUTURE DEVELOPMENTS

The Director remains alert to good business opportunities within the sector, although no opportunities for new activities are currently being pursued. The Director is making arrangements to restructure the Group financing arrangement currently in place.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Director monitors potential areas of business risk and address the risks wherever possible.

The Director has assessed the key risks to the Group and considers that it is exposed to liquidity risk, interest rate risk, tenant credit risk, cash flow risk and market value risk, summarised as follows:

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due. The Group seeks to minimise liquidity risk on refinancing by borrowing for as long as possible and at the lowest acceptable cost. The Group's current financing arrangements are with the Group's new owners and the Director is confident there is no foreseeable risk to the Group's liquidity.

Interest rate risk

The Group was party to a variable rate loan during the year and was therefore exposed to interest rate changes. The risk was mitigated by a review of interest rate expectations. No variable loan arrangements currently remain in place. The Director would consider the implementation of hedging measures where beneficial. As at 31 December 2015 no such measures were considered necessary.

The Group does not use any other financial instruments to mitigate its risk.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

STRATEGIC REPORT (Continued)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Tenant credit risk

The Group is exposed to tenant credit risk, which is the risk of the lessee not making agreed rental payments. The risk has been mitigated by the Group obtaining, by way of the property lease agreement, a guarantee in respect of rental payments from the lessee's controlling party, Marriott International Inc.

The Group was also previously exposed to cross-collateralised risk arising from loan guarantees between the Group and its related parties. The cross-collateralisation arrangements were fully discharged on 6 July 2017 following the change of ownership as at that date.

Cash flow risk

The Group is at risk of not making its interest and other payments if it is unable to collect receivables when due. The Group minimises cash flow risk by minimising its tenant credit risk and through the use of specialist managing agents to ensure collection of rent takes place on time.

Market value risk

The Group is exposed to the risk of a drop in the market value of its investment property. The Group's investment property value is determined by market forces outside of the Group's control. The Group is not exposed to loan default implications resulting from a fall in property values as the current financing arrangements do not include any loan to value covenants.

Further details of the Group's risk and capital management policies can be found in note 18.

ON BEHALF OF THE BOARD



**B Matteson
Director**

Dated: *14* / 14, 2017

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

DIRECTOR'S REPORT

The Director presents the Report and audited consolidated Financial Statements of the Group and Company (Company No: 04216917) for the year ended 31 December 2015. The Company is incorporated as a limited Company and is domiciled in England, and is registered under the Companies Act 2006.

DIRECTORS

The following Directors have held office since 1 January 2015 to the date of signing of this report:

Subrata Roy Sahara	(resigned 6 July 2017)
Swapna Roy	(resigned 6 July 2017)
Om Prakash Srivastava	(resigned 6 July 2017)
Sushanto Roy	(resigned 6 July 2017)
Sandeep Wadhwa	(resigned 6 July 2017)
Vijay Singh Dogra	(resigned 6 July 2017)
Bret Matteson	(appointed 6 July 2017)

SIGNIFICANT EVENTS

On 2 March 2015, Deloitte LLP were appointed as Administrators to the Company following the calling of repayment of the Group's bank loan as a result of an event of default arising from loan covenant breaches in respect of the cross-collateralised borrowings of the then related parties, Sahara Plaza LLC and Sahara Dreams LLC. On 21 December 2016, the Group arranged an extension to its loan facility arrangements which had previously been refinanced by a new third party lender on 5 June 2015 and, as a result of this extension, the Administrators resigned their appointment on 21 December 2016.

On 6 July 2017, the Company was acquired by entities under the control of the Ashkenazy Acquisition Corporation, based in the USA. The Group's cross-collateralised financing arrangements with the Sahara group were discharged as at that date. The Group's own financing arrangement was repaid in July 2017 and a new financing arrangement with the Company's new owners was put in place as at that date.

Further details are set out in the Strategic Report on page 1.

POLICY ON PAYMENT OF SUPPLIERS

Substantially all of the supplier payment terms are 30 days (2014: 30 days). The policy is to pay suppliers by the due date. The current creditors days are 9 (2014: 20).

AUDITOR

On 7 June 2017, Grant Thornton UK LLP resigned as auditor and RSM UK Audit LLP were appointed as auditor in their stead. RSM UK Audit LLP has indicated its willingness to continue in office.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**


DIRECTOR'S REPORT (Continued)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Director confirms that so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and the Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Details on the future developments and post balance sheet events are presented in the Strategic Report on page 1.

ON BEHALF OF THE BOARD



B Matteson

Director

Dated: *Nov 14* 2017

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Director is responsible for preparing the Director's Report, the Strategic Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Director to prepare Group and Company Financial Statements for each financial year. The Director has elected under company law to prepare the Group Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and has decided under company law to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

The Financial Statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the Group and the Company. The Companies Act 2006 provides in relation to such Financial Statements that references in the relevant part of that Act to Financial Statements giving a true and fair view are references to their achieving a fair presentation.

Under Company law the Director must not approve the Financial Statements unless he is satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the each of the group and company Financial Statements, the Director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with IFRS as adopted by the EU;
- d. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the company will continue in business.

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GHH HOLDINGS LIMITED (FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)

Opinion on financial statements

We have audited the group and parent company financial statements ("the financial statements") on pages 9 to 37. 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion

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

Scope of the audit of the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' report.

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

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

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GHH HOLDINGS LIMITED
(Continued) (FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

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.



Jonathan Da Costa FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

16 November 2017

GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2015

	Notes	2015 £	2014 £
Revenue	3	27,550,104	27,669,511
Administrative expenses – recurring		(1,246,445)	(2,969,628)
Administrative expenses – exceptional	4	(3,120,322)	(336,453)
Increase in fair value of investment property	8	25,000,000	29,000,000
Profit from operations		48,183,337	53,363,430
Finance costs – recurring	5	(24,687,647)	(24,826,817)
Finance costs – exceptional	5	(11,497,819)	(4,706,768)
Profit before taxation	4	11,997,871	23,829,845
Income tax expense/(credit)	7	(1,149,750)	38,456
Profit and total comprehensive income for the year attributable to the owners of the parent		10,848,121	23,868,301

The profit for the year arises from the Group's continuing operations in the United Kingdom.

The Group has elected to take exemption under Section 408 of the Companies Act 2006 to not present the Company statement of comprehensive income. The Company's result is shown in the statement of changes in equity.

GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

Company No: 04216917

	Note	2015 £	2014 £
ASSETS			
Non-current Assets			
Investment property	8	575,000,000	550,000,000
Other financial assets	10		25,000,000
		<u>575,000,000</u>	<u>575,000,000</u>
Current Assets			
Trade and other receivables	12	10,150,121	50,623
Cash and cash equivalents		25,929	8,628,438
		<u>10,176,050</u>	<u>8,679,061</u>
TOTAL ASSETS		<u>585,176,050</u>	<u>583,679,061</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	19	770,001	770,001
Retained earnings		105,902,555	95,054,434
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		<u>106,672,556</u>	<u>95,824,435</u>
Non-current liabilities			
Borrowings	15	158,122,707	160,113,850
Deferred tax payable	16	8,825,336	7,675,586
Total Non-current liabilities		<u>166,948,043</u>	<u>167,789,436</u>
Current liabilities			
Trade and other payables	13	47,780,451	33,365,190
Borrowings	14	263,775,000	286,700,000
Total current liabilities		<u>311,555,451</u>	<u>320,065,190</u>
TOTAL LIABILITIES		<u>478,503,494</u>	<u>487,854,626</u>
TOTAL EQUITY AND LIABILITIES		<u>585,176,050</u>	<u>583,679,061</u>

The consolidated Financial Statements on pages 9 to 37 were approved by the Board of Directors and authorised for issue on Nov. 14, 2017 and are signed on its behalf by:


B Matteson
 Director

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

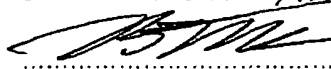
**COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 December 2015**

Company No: 04216917

	Note	2015 £	2014 £
ASSETS			
Non-current Assets			
Investment property	9	569,250,000	550,000,000
Other financial assets	10	-	25,000,000
Investments	11	1	-
		<u>569,250,001</u>	<u>575,000,000</u>
Current Assets			
Trade and other receivables	12	16,158,609	50,623
Cash and cash equivalents		25,326	8,628,438
		<u>16,183,935</u>	<u>8,679,061</u>
TOTAL ASSETS		<u>585,433,936</u>	<u>583,679,061</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	19	770,001	770,001
Retained earnings		106,215,517	95,054,434
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		<u>107,235,518</u>	<u>95,824,435</u>
Non-current liabilities			
Borrowings	15	158,122,707	160,113,850
Deferred tax payable	17	8,780,881	7,675,586
Total Non-current liabilities		<u>166,903,588</u>	<u>167,789,436</u>
Current liabilities			
Trade and other payables	13	47,769,830	33,365,190
Borrowings	14	263,775,000	286,700,000
Total current liabilities		<u>311,544,830</u>	<u>320,065,190</u>
TOTAL LIABILITIES		<u>478,448,418</u>	<u>487,854,626</u>
TOTAL EQUITY AND LIABILITIES		<u>585,433,936</u>	<u>583,679,061</u>

The Company's profit and total comprehensive income for the year was £11,161,083 (2014: £23,868,301).

The consolidated Financial Statements on pages 9 to 37 were approved by the Board of Directors and authorised for issue on 14.1.2016 and are signed on its behalf by:



B Matteson
Director

GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

	Attributable to the owners of the parent		
	Share capital £	Retained earnings £	Total £
Balance at 1 January 2014	770,001	71,186,133	71,956,134
<i>Changes in equity for 2014</i>			
Profit and total comprehensive income for the year	-	23,868,301	23,868,301
Balance at 31 December 2014	<u>770,001</u>	<u>95,054,434</u>	<u>95,824,435</u>
<i>Changes in equity for 2015</i>			
Profit and total comprehensive income for the year	-	10,848,121	10,848,121
Balance at 31 December 2015	<u>770,001</u>	<u>105,902,555</u>	<u>106,672,556</u>

Share Capital

Share capital represents the par value of ordinary shares issued by the parent.

Retained Earnings

Retained earnings represent the cumulative profit and loss of the Group, net of distributions to owners.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

**COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015**

	Attributable to the owners of the Company		
	Share capital £	Retained earnings £	Total £
Balance at 1 January 2014	770,001	71,186,133	71,956,134
<i>Changes in equity for 2014</i>			
Profit and total comprehensive income for the year	-	23,868,301	23,868,301
Balance at 31 December 2014	<u>770,001</u>	<u>95,054,434</u>	<u>95,824,435</u>
<i>Changes in equity for 2015</i>			
Profit and total comprehensive income for the year	-	11,161,083	11,411,083
Balance at 31 December 2015	<u>770,001</u>	<u>106,215,517</u>	<u>106,985,518</u>

Share Capital

Share capital represents the par value of ordinary shares issued by the Company.

Retained Earnings

Retained earnings represent the cumulative profit and loss of the Company, net of distributions to owners.

GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit for the year before tax		11,997,871	23,829,845
Finance costs	5	36,185,466	29,533,585
Increase in fair value of investment property	8	(25,000,000)	(29,000,000)
Operating cash flows before movements in working capital		23,183,337	24,363,430
(Increase)/decrease in trade and other receivables		(10,099,498)	483,176
Decrease in trade and other payables		(1,983,677)	(4,811,488)
Cash generated from operations		11,100,162	20,035,118
Interest paid		(19,786,528)	(23,027,524)
Net cash used in operating activities		(8,686,366)	(2,992,406)
Cash flows from investing activities			
Disposal of other financial asset		25,000,000	-
Net cash flow from investing activities		25,000,000	-
Cash flows from financing activities			
Repayment of bank borrowings		(22,925,000)	(6,100,000)
Repayment of non-current borrowings		(1,991,143)	-
Net cash flow used in financing activities		(24,916,143)	(6,100,000)
Net decrease in cash and cash equivalents		(8,602,509)	(9,092,406)
Cash and cash equivalents at beginning of the year		8,628,438	17,720,844
Cash and cash equivalents at end of the year		25,929	8,628,438

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and other short term, highly liquid investments with a maturity of less than three months. This is consistent with the presentation in the statement of financial position.

GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit for the year before tax		12,266,378	23,829,845
Finance costs	5	36,185,466	29,533,585
Increase in fair value of investment property	8	(24,750,000)	(29,000,000)
Gain on disposal of investment property		(500,000)	-
Operating cash flows before movements in working capital		23,201,844	24,363,430
(Increase)/decrease in trade and other receivables		(10,107,986)	483,176
Decrease in trade and other payables		(1,994,298)	(4,811,488)
Cash generated from operations		11,099,560	20,035,118
Interest paid		(19,786,528)	(23,027,524)
Net cash used in operating activities		(8,686,968)	(2,992,406)
Cash flows from investing activities			
Investment in subsidiary		(1)	-
Disposal of other financial asset		25,000,000	-
Net cash flow from investing activities		24,999,999	-
Cash flows from financing activities			
Repayment of bank borrowings		(22,925,000)	(6,100,000)
Repayment of non-current borrowings		(1,991,143)	-
Net cash flow used in financing activities		(24,916,143)	(6,100,000)
Net increase in cash and cash equivalents		(8,603,112)	(9,092,406)
Cash and cash equivalents at beginning of the year		8,628,438	17,720,844
Cash and cash equivalents at end of the year		25,326	8,628,438

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and other short term, highly liquid investments with a maturity of less than three months. This is consistent with the presentation in the statement of financial position.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015**

1. PRINCIPAL ACCOUNTING POLICIES

General information

The principal activity of the Group is property investment in the Grosvenor House Hotel, Park Lane London.

The Company is a private company limited by shares and it is incorporated and domiciled in the UK. The address of its registered office is 3rd Floor, One London Square, Cross Lanes, Guildford, GU1 1UN.

Basis of Preparation

The company and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the EU ("IFRS") and the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The company and consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of the investment property.

The Group's accounting reference date is 29 December. The consolidated financial statements have been prepared to 31 December 2015 in accordance with Section 390(2) of the Companies Act 2006 (2014: 31 December 2014).

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving judgement or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Adoption of new and revised standards and interpretations

New standards and amendments to published standards effective for the year ended 31 December 2015

The following standards have been adopted during the year:

- Annual improvements to IFRSs 2010 - 2012 Cycle - various standards
- Annual improvements to IFRSs 2011 - 2013 Cycle - various standards

There were no new standards or amendments to standards during the year which have had any material impact on the financial position and performance of the Group.

Standards adopted early by the Group

The Group has not adopted any standards or interpretations early in either the current or the preceding financial year.

Adoption of standards and interpretations

As at the date of authorisation of these financial statements, there were standards and interpretations in issue at 31 December 2015, but that were not yet effective and have not been applied in these financial statements, as listed below:

- IFRS 9: Financial Instruments (effective date 1 January 2018)
- Amendments to IFRS 10: Consolidated exception (effective 1 January 2016)

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Adoption of new and revised standards and interpretations (continued)

- IFRS 15 Revenue from Contracts with Customers (effective date 1 January 2018)
- Amendments to IAS 1: Disclosure Initiative (effective date 1 January 2016)
- Amendments to IAS 16: Clarification of Acceptable Methods of Depreciation and Amortisation (effective date 1 January 2016)
- Amendments to IAS 27: Equity methods as accounting option for investments in subsidiaries (effective 1 January 2016)
- Annual Improvements to IFRSs 2012-2014 Cycle (effective date 1 January 2016)
- Annual Improvements to IFRSs 2014-2016 Cycle (effective date 1 January 2018)

The Director anticipates that the adoption of these standards and interpretations in future periods will have no material impact on the consolidated financial statements of the Group when the relevant standards and interpretations come into effect although there is likely to be a requirement for additional disclosures.

Going Concern

The Director has reviewed the expected cash flows of GHH Holdings Limited and Reeves Leasing Limited ("Group") for a period of at least twelve months from the date of approval of these financial statements and considers that there will be sufficient working capital for the Group to meet its external liabilities as they fall due for the foreseeable future.

During the prior year, former related parties to the Group, Sahara Plaza LLC and Sahara Dreams LLC, breached certain covenants in respect of their borrowings from Bank of China (the "Sahara group Loan"). This constituted an event of default in respect of these companies' borrowings. As a result of the cross default and cross-collateralisation arrangements between the Group and these related parties, an event of default was also deemed to have occurred in respect of the Group's own borrowings from Bank of China and as a result on 2 March 2015 Deloitte LLP were appointed as Administrators to the Group.

On 5 June 2015, the Group arranged a new secured loan with a third party lender on a short term basis which replaced the Bank of China loan. On the 21 December 2016 the Group arranged a 12 month extension to its loan facility arrangements. This extension was to the satisfaction of the Administrators who resigned their appointment to the Group on 21 December 2016.

On 6 July 2017, the Group was acquired by entities under the control of the Ashkenazy Acquisition Corporation, based in the USA. On this date, the secured loan arranged on the 5 June 2015 was repaid and the cross-collateralised financing arrangements within the Sahara group Loan were discharged. This was done by way of a new financing arrangement with the Group's new owners which was put in place as at that date and as a result of this new financing arrangement the funds were passed down to the Group via an intragroup balance which is repayable on demand.

The company has received confirmation from its immediate parent company that they will not seek repayment of the intragroup balance and will provide sufficient funds to allow the company to meet its debts as and when they fall due for a period of not less than 12 months from the date of these signed financial statements.

As a result of the new financing arrangements put in place by the new owners and confirmation of group support, the Director considers it appropriate to prepare the financial statements on a going concern basis.

**GHH HOLDINGS LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ending 31 December 2015**

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Audit exemption

The subsidiary undertaking, Reeves Lease Limited, has claimed the audit exemption under Companies Act 2006 Section 479A with respect to its period ended 28 February 2016. The Company has given a statement of guarantee under Companies Act Section 479C, to guarantee all outstanding liabilities to which the subsidiary company is subject as at 28 February 2016.

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Company statement of comprehensive income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit for the financial year was £11,161,083 (2014: £23,868,301).

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ending 31 December 2015**

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currency translation

The functional and presentational currency of the Group is Sterling. The Group does not enter into transactions in currencies other than its functional currency.

Revenue recognition

Rental income from the investment property represents amounts payable by tenants under operating leases. Such amounts are credited to the income statement on a straight line basis over the term of the lease agreement. Rental income received in advance is deferred to the future periods to which it relates.

Other income included within revenue represents insurance commissions receivable and lease premiums payable by tenants upon surrender of a lease. Insurance commissions are recognised as income on an accruals basis in the income statement based upon the effective commencement or renewal dates of the related policies. Any timing differences arising at the reporting date are recognised as either deferred or accrued income in the statement of financial position as applicable.

Finance costs

Finance costs represent interest expense incurred on financial liabilities held at amortised cost. These are determined using the effective interest rate method, which is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount.

Leasing

The Group as a lessor

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the relevant lease in the income statement. Rent free periods and other incentives given to tenants at the inception of the lease are spread on a straight-line basis over the relevant lease term and also recognised in the income statement.

Investment property

Investment property, which is property held either to earn rental income or for capital appreciation or both, is stated at its fair value at the reporting date. The method of establishing fair value is stated in note 8. Gains or losses arising from changes in the fair value of investment property are included in the consolidated statement of comprehensive income for the period in which they arise.

Gains or losses arising from disposal of investment property, being the difference between the net disposal proceeds and carrying value, are included in profit or loss in the year of the disposal.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ending 31 December 2015**

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when the Group has become party to the contractual provisions of the instrument.

Financial assets

Trade and other receivables

Trade and other receivables and loans are classified as loans and receivables and are initially recognised at fair value plus transaction costs. They are subsequently measured at their amortised cost using the effective interest rate method less any provision for impairment. A provision for impairment is made where there is objective evidence (including customers with financial difficulties or in default on payments) that amounts will not be recovered in accordance with the original terms of the agreement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and other short-term investments held by the Group with maturities of less than three months. These are highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

Financial liabilities

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

Trade and other payables

Trade and other payables and borrowings are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method, with all movements being recognised in the statement of comprehensive income. Cost approximates to fair value.

Equity

Equity instruments issued are recorded at fair value on initial recognition net of transaction costs.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Segmental reporting

The Director considers there to be only one operating segment, being the rental of the Group's long leasehold interest in the Grosvenor House Hotel, Park Lane, London, and accordingly no separate segmental analysis is disclosed.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ending 31 December 2015**

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount 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 statement of financial position liability method. Deferred tax liabilities are 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 in the future 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 which affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items charged or credited directly to other comprehensive income, in which case the current or deferred tax is also recognised in other comprehensive income.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax relates to income tax levied by the same tax authorities on either:

- the same taxable entity; or
- different taxable entities which intend to settle current tax assets and liabilities on a net basis or to realise and settle them simultaneously in each future period when the significant deferred tax assets and liabilities are expected to be realised or settled.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ending 31 December 2015**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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

Investment property

The key accounting estimate in preparing these consolidated Financial Statements relates to the carrying value of the investment property which is stated at fair value. In the prior year the Group used external professional valuers to determine the fair value. In current year the valuation has been performed by the Directors based on the recoverability by reference to proposed sales price. However, the valuation of the Group's investment property is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate. Details of the valuation of the investment property are set out in note 8.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

**GHH HOLDINGS LIMITED
(FORMERLY SAHARA GROVENOR HOUSE HOSPITALITY LIMITED)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ending 31 December 2015**

3. REVENUE	2015 £	2014 £
Rental income	27,502,562	27,110,804
Other property related income	47,542	558,707
	<u>27,550,104</u>	<u>27,669,511</u>

All rental income is generated from the investment property in the United Kingdom. Rental income consists of £27,455,282 and £47,280 (2014: £27,060,804 and £50,000) derived from two external tenants respectively.

4. PROFIT BEFORE TAXATION	2015 £	2014 £
The profit before taxation is stated after charging:		
Rentals under operating leases	384,470	1,608,204
Amounts payable to the auditor:		
- for audit services	25,000	30,693
- for tax compliance services	16,000	-
- for other accounting services	35,750	-
Administrative expenses by nature:		
Property management, hotel management and insurance costs	593,492	1,095,399
Operating lease payments	384,470	1,608,204
Other expenses	3,388,805	749,478
	<u>4,366,767</u>	<u>3,453,081</u>

Included within Administrative expenses are exceptional costs of £3,120,322 (2014: £336,453) in respect of professional fees incurred in relation to the financing arrangements, the appointment of Administrators and subsequent refinancing arrangements.

5. FINANCE COSTS	2015 £	2014 £
Bank charges	1,127	1,380
Interest payable on Eurobond loan note	16,398,938	15,296,036
Interest payable on loan	8,278,726	8,807,987
Default interest payable on loan – exceptional	4,196,861	-
Refinancing transaction costs – amortisation	8,856	721,414
Refinancing transaction costs – exceptional	7,300,958	4,706,768
	<u>36,185,466</u>	<u>29,533,585</u>

Included within exceptional refinancing transaction costs are previously capitalised loan arrangement fees of £Nil (2014: £2,731,747) in respect of the former bank loan which were unamortised at 31 December 2014, and loan arrangement fees and legal and professional costs incurred in relation to refinancing arrangements totalling £7,300,958 (2014: £1,975,021).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015

6. STAFF COSTS

The Director and former Directors received no emoluments for their services as Directors during the current year (2014: £Nil). The Group has no employees (2014: none) except the Directors.

7. TAXATION	2015	2014
	£	£
Current taxation		
Tax charge for the year	-	-
Deferred taxation (note 16)		
Origination and reversal of temporary differences	1,914,369	(22,742)
Adjustments in respect of prior periods	-	(15,714)
Amount relating to change in tax rate	(764,619)	-
Deferred tax credit for the year	<u>1,149,750</u>	<u>(38,456)</u>
Total income tax expense/(credit)	<u>1,149,750</u>	<u>(38,456)</u>

The actual tax charge differs from the expected tax charge computed by applying the average UK corporation tax rate of 20.25% (2014: 21.5%) as follows:

	2015	2014
	£	£
Profit before taxation	<u>11,997,871</u>	<u>23,829,845</u>
Profit before taxation, multiplied by average rate of UK corporation tax of 20.25% (2014: 21.5%)	2,429,569	5,123,417
Effects of:		
Non-deductible items	593,349	39,754
Effects of changes in rates and laws	(1,149,521)	2,885
Adjustment in respect of prior periods	-	(48,498)
Investment property revaluation and indexation	(676,449)	(5,342,975)
Other tax adjustments	(47,198)	186,961
	<u>(1,279,819)</u>	<u>(5,161,873)</u>
Total income tax expense/(credit)	<u>1,149,750</u>	<u>(38,456)</u>

During the year, the Finance Act 2015 was enacted and included legislation to reduce the main rate of corporation tax to 19% with effect from 1 April 2017, and by a further 1%, reaching 18% with effect from 1 April 2020. As this change was substantially enacted at the year end date and no material amount is expected to unwind prior to 1 April 2020, deferred tax is recognised at 18% in the current period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015

8. INVESTMENT PROPERTY - GROUP	2015	2014
	£	£
Fair value:		
Opening balance for the year	550,000,000	521,000,000
Fair value adjustment	25,000,000	29,000,000
Closing balance for the year	<u>575,000,000</u>	<u>550,000,000</u>

The investment property comprises a long leasehold over the Grosvenor House Hotel, Park Lane, London, expiring in 2104.

The fair value of the investment property of £575,000,000 at 31 December 2015 has been determined by way of a Director's valuation at that date. The last independent professional valuation of the investment property was at a value of £550,000,000. This professional valuation was as at December 2014 and was carried out by CBRE Hotels Limited.

The valuation method represents a level 2 valuation, as defined in IFRS 13: Fair Value Measurement, including both direct and indirect observable inputs for the investment property.

The professional valuation was on an open market basis and was arrived at by reference to market evidence and discounted cash flows. The valuation projects income over 37 years, discounted at rates adopted according to risk profiles. Other valuation considerations applied in the valuation include the application of Bank of England base rate, UK 10 year government bond rates and London West End prime office yields.

The Director's valuation represents the Director's estimation of the increase in the market value of the investment property since December 2014, based on potential sales price.

The property rental income earned by the Group from its investment property amounted to £27,502,562 (2014: £27,110,804).

The lessee, Marriott International Inc., bears the contractual obligation to maintain the investment property. Neither the Group nor the lessee has a contractual obligation to purchase or develop the property.

9. INVESTMENT PROPERTY - COMPANY	2015	2014
	£	£
Fair value:		
Opening balance for the year	550,000,000	521,000,000
Transfer to subsidiary	(5,500,000)	-
Fair value adjustment	24,750,000	29,000,000
Closing balance for the year	<u>569,250,000</u>	<u>550,000,000</u>

The investment property comprises a long leasehold over the Grosvenor House Hotel, Park Lane, London, expiring in 2104.

On 2 March 2015 the Company transferred the ownership of the Grosvenor House Garage, Reeves House, and 39 & 40 Reeves Mews elements of the long leasehold property interests in the Grosvenor House Hotel to its subsidiary, Reeves Lease Limited.

Details of the Director's valuation are included in note 8 above.

GHH HOLDINGS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015

10. OTHER FINANCIAL ASSETS	2015 £	2014 £
Restricted bank deposit	-	25,000,000

As part of the terms of the bank loan (disclosed in note 14) an amount of £25,000,000 was required to be kept on restricted deposit for the full term of the 7 year loan as security against the amount borrowed. This was classified as an Other Financial Asset in the statement of financial position in accordance with IAS 32. In accordance with the contractual terms of the bank loan, the deposit did not attract any interest.

During the year, as part of the arrangements to refinance the bank loan, the restricted bank deposit funds were used to make an additional capital repayment of the loan.

11. INVESTMENTS - COMPANY	2015 £	2014 £
Investments in subsidiaries:		
At 1 January	-	-
Additions	1	-
At 31 December	1	-

The Company has investments in the following subsidiary:

Name of subsidiary	Place of incorporation	Proportion of ownership & voting power %	Nature of business
Reeves Lease Limited*	United Kingdom	100	Property ownership

Registered office: Third Floor, One London Square, Cross Lanes, Guildford, Surrey, GU1 1UN

The subsidiary undertaking was incorporated on 27 February 2015.

*Reeves Lease Limited is exempt from audit under Section 479(a) of Companies Act 2006.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015

12. TRADE AND OTHER RECEIVABLES

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Trade receivables	8,430,121	8,430,121	33,130	33,130
Group receivables	1,615,508	7,690,700	-	-
Prepayments and accrued income	37,788	37,788	17,493	17,493
Other receivables	66,704	-	-	-
	<u>10,150,121</u>	<u>16,158,609</u>	<u>50,623</u>	<u>50,623</u>

Group receivables relate to amounts owed by the Group's former owners, the Sahara group.

The Director considers that the carrying amount of trade and other receivables approximates to their fair value. All receivables are denominated in Sterling.

At 31 December 2015 no trade and other receivables were past due or impaired (2014: £Nil).

13. TRADE AND OTHER PAYABLES

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Trade payables	110,299	110,299	356,048	356,048
Group payables	36,284,603	36,284,603	23,044,050	23,044,050
Accruals and deferred income	9,952,532	9,952,532	8,855,518	8,855,518
Other payables	1,433,017	1,422,396	1,109,574	1,109,574
	<u>47,780,451</u>	<u>47,769,830</u>	<u>33,365,190</u>	<u>33,365,190</u>

Group payables relate to amounts owed to the Group's former owners, the Sahara group.

The Director considers that the carrying amount of trade and other payables approximates to their fair value. All payables are denominated in Sterling.

GHH HOLDINGS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015

14. BORROWINGS – CURRENT

	2015 £	2014 £
Group and Company		
Secured loan	263,775,000	286,700,000
	<u>263,775,000</u>	<u>286,700,000</u>

On 5 June 2015, the Group arranged a new secured loan with a third party lender on a short term basis which replaced the existing bank loan. The new third party loan initially extended the same interest and capital repayment terms as the existing bank loan, albeit on a short term basis and, as of 31 December 2015, the default interest rate was increased to 3%.

On 21 December 2016, the loan was renegotiated and the term was extended to 21 December 2017 at an interest rate of 12.5%.

The historic loan ("GHH Loan") was a floating rate loan, maturing quarterly. The rate fluctuated with 3 month LIBOR + 2.5% margin. Interest was payable quarterly in arrears on the 20 January, 20 April, 20 July and 20 October every year.

The loan was initially recognised at fair value, net of transaction costs. The loan is subsequently measured at amortised cost, and finance charges are recognised in the statement of comprehensive income over the term of the loan.

Both the historic and current loans are secured with fixed and floating charges over the assets of the Group.

The historic loan facility arrangement was cross-collateralised with the borrowings of the former related parties, the Sahara group ("Sahara group Loan"). Due to a technical breach in the year by the wider Sahara group, the loan was called into default and the GHH Holdings group placed into administration.

Sahara group Loan

The occurrence of an event of default under the Sahara group Loan constitutes a cross default under the GHH Loan which entitled the lender to enforce the security granted in respect of both the Sahara group Loan and the GHH Loan.

During the prior year, the Sahara group breached certain covenants in respect of their loan borrowings. This constituted an event of default in respect of these companies' borrowings. As a result of the cross default and cross-collateralisation arrangements between the Group and these related parties, an event of default was also deemed to have occurred in respect of the Group's own borrowings. This caused the bank loan to be called on demand.

Unamortised loan arrangement fees of £nil (2014: £2,731,747) were expensed in full and were included in the statement of comprehensive income within refinancing transaction costs (note 5).

**GHH HOLDINGS LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

14. BORROWINGS – CURRENT (Continued)

The defaults were not resolved and default interest of 2% was charged in addition to the Group's standard variable interest rate on the secured loan from 2 March 2015.

Following the refinancing of the loan with a new third party lender on 5 June 2015, the interest margin was increased to 3 month LIBOR + 3.2%, the default interest rate was also increased to 5% as of 31 December 2015. Subsequently the default interest rate was increased to 8.8%.

On 21 December 2016, the Group arranged a 12 month extension to the refinanced loan facility arrangements. The interest terms, with effect from this date, were 3 month LIBOR + 12% margin, consisting of a cash payment margin of 4% and a capitalising margin of 8%. As of 21 December 2016, the secured loan borrowings amounted to £381,370,088.

On 6 July 2017, following a change of ownership of the Group, the Group's cross-collateralised financing arrangements with Sahara group were discharged and the Group's financing arrangements were replaced under a new arrangement with the Group's new owners.

15. BORROWINGS – NON-CURRENT

	2015	2014
	£	£
Group and Company		
Eurobond loan note	158,122,707	160,113,850
	<u>158,122,707</u>	<u>160,113,850</u>

The Eurobond loan note is held by Aamby Valley Mauritius Limited, the former parent Company, and was issued on 13 December 2011. The loan note was quoted on the Channel Islands Stock Exchange. The loan bears interest at 8.75% per annum. The former loan was initially recognised at fair value, net of transaction costs of £65,677. The loan is subsequently measured at amortised cost and finance charges are recognised in the statement of comprehensive income over the term of the loan.

**GHH HOLDINGS LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

15. BORROWINGS – NON-CURRENT (Continued)

Interest accrues daily and is payable on 31 December each year in accordance with the loan note agreements. To the extent that interest is unpaid at 31 December, interest compounds as if the unpaid amounts had been capitalised into the loan. The loan note was redeemable in full on 30 December 2025.

The Eurobond loan note was unsecured.

The Eurobond loan was suspended from trading from the Channel Island stock exchange on 7 May 2014.

On 6 July 2017, the Eurobond loan note was repaid and replaced by new financing arrangements with the Group's new owners.

16. DEFERRED TAX PAYABLE - GROUP

Provision for deferred taxation has been made as follows:

	Chargeable gains £	Accumulated tax losses £	Accelerated depreciation £	Total £
At 1 January 2014	-	(1,076,723)	8,790,765	7,714,042
Expense/(Credit) to consolidated statement of comprehensive income	829,791	(1,271,177)	402,930	(38,456)
At 31 December 2014	829,791	(2,347,900)	9,193,695	7,675,586
Expense/(Credit) to consolidated statement of comprehensive income	3,615,732	(1,838,312)	(627,670)	1,149,750
At 31 December 2015	4,445,523	(4,186,212)	8,566,025	8,825,336

**GHH HOLDINGS LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

17. DEFERRED TAX PAYABLE - COMPANY

Provision for deferred taxation has been made as follows:

	Chargeable gains £	Accumulated tax losses £	Accelerated depreciation £	Total £
At 1 January 2014	-	(1,076,723)	8,790,765	7,714,042
Expense/(Credit) to consolidated statement of comprehensive income	829,791	(1,271,177)	402,930	(38,456)
At 31 December 2014	829,791	(2,347,900)	9,193,695	7,675,586
Expense/(Credit) to consolidated statement of comprehensive income	3,571,277	(1,838,312)	(627,670)	1,105,295
At 31 December 2015	4,401,068	(4,186,212)	8,566,025	8,780,881

18. FINANCIAL INSTRUMENTS

The totals for each category of financial instrument, measured in accordance with IAS 39 as detailed in the accounting policies, are as follows:

	Loans and receivables			
	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Current assets				
Trade and other receivables	10,082,923	16,158,116	33,625	33,625
Cash and cash equivalents	25,929	25,326	8,628,438	8,628,438
Non-current assets				
Other financial assets	-	-	25,000,000	25,000,000
Total financial assets	10,108,852	16,183,442	33,662,063	33,662,063
	Other liabilities held at amortised cost			
	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Current liabilities				
Trade and other payables	39,355,939	39,345,318	25,371,938	25,371,938
Loans and borrowings	263,775,000	263,775,000	286,700,000	286,700,000
Non-current liabilities				
Loans and borrowings	158,122,707	158,122,707	160,113,850	160,113,850
Total financial liabilities	461,253,646	461,243,025	472,185,788	472,185,788

**GHH HOLDINGS LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

18. FINANCIAL INSTRUMENTS (Continued)

The Company and Group holds no financial instruments carried at fair value. The Director considers the book value of all financial instruments to equate to their fair value.

Financial risk management policies

The Director monitors the Company's and Group's financial risk management policies and exposure and approve financial transactions. The Director's overall risk management strategy seeks to assist the Company and Group in meeting its financial targets whilst minimising potential adverse effects on financial performance.

Specific financial risk exposures and management

The Company's and Group's activities expose it to a variety of financial risks, including interest rate risk, liquidity risk and credit risk. Details of these risks and the Company's and Group's policies for managing these risks are included below:

Interest rate risk

The Company's and Group's interest rate risk exposure arises from its external borrowings, which are charged at a variable rate of interest.

The Company and Group manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities, and limiting any re-pricing mismatches.

The following tables indicate financial assets and liabilities that are exposed to interest rate risk together with the corresponding applicable interest rates at 31 December 2015:

Company and Group	2015 £ Total	2014 £ Total
<i>Maturity date or contractual repricing date</i>		
Exposed to cash flow interest rate risk:		
Loan (note 14)	263,775,000	286,700,000
	<hr/>	<hr/>
	2015	2014
<i>Interest rate</i>		
	% Interest rate	% Interest rate
Loan (including default interest)	6.09%	3.06%
	<hr/>	<hr/>

An increase or decrease in interest rates of 1%, would result in an increase or decrease of approximately £2,638,000 in the interest charge for the year.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

18. FINANCIAL INSTRUMENTS (Continued)

Credit risk

The objective of credit risk management is to enable the Company and Group to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with the approved appetite for the risk that tenants will be unable to meet their obligations to the Company and Group.

Tenant credit risk is mitigated as rental payments are due on the first day of each rental quarter, and the tenant's rental commitments are supported by a guarantee provided by its controlling party, Marriott International Inc. The property lease can be terminated if rent becomes more than 14 days overdue, or if the guarantor fails to provide the agreed rental guarantee.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Company and Group only deposits cash with well-established financial institutions of high quality credit standing.

The Company and Group deposited £Nil (2014: £25,000,000) cash as security for its borrowings from its former lender (see note 10).

Liquidity risk

Liquidity risk is the risk that the Company and Group is unable to meet its financial obligations as they fall due. The Company and Group seeks to minimise liquidity risk on refinancing by borrowing for as long as possible and at the lowest acceptable cost. Efficient cash management, strict credit control and the Company's and Group's low cost base minimise liquidity risk and ensure that funds are available to meet commitments as they fall due.

There were no derivative financial liabilities held by the Company or Group.

The table below analyses the Company's and Group's non-derivative financial liabilities on a contractual gross undiscounted cash flow basis into their relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date.

Group	Less than 1 year £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
At 31 December 2015				
Secured loan	263,775,000	-	-	-
Eurobond loan note	-	-	-	158,122,707
Trade and other payables	39,355,939	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014				
Secured loan	286,700,000	-	-	-
Eurobond loan note	-	-	-	160,113,850
Trade and other payables	25,371,938	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**GHH HOLDINGS LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

18. FINANCIAL INSTRUMENTS (Continued)

Company	Less than 1 year £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
At 31 December 2015				
Secured loan	263,775,000	-	-	-
Eurobond loan note	-	-	-	158,122,707
Trade and other payables	39,345,318	-	-	-
	<u>263,775,000</u>	<u>-</u>	<u>-</u>	<u>158,122,707</u>
At 31 December 2014				
Secured loan	286,700,000	-	-	-
Eurobond loan note	-	-	-	160,113,850
Trade and other payables	25,371,938	-	-	-
	<u>286,700,000</u>	<u>-</u>	<u>-</u>	<u>160,113,850</u>

Capital management

The Company and Group is under the control of the Ashkenazy Acquisition Corp. group and capital is managed at group level. At a Company and Group level, capital is monitored using a gearing ratio which is calculated as net debt (bank borrowings and loan notes less cash and cash equivalents) over capital (equity attributable to owners of the Company and Group) plus net debt.

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
Eurobond loan note	158,122,707	158,122,707	160,113,850	160,113,850
Borrowings	263,775,000	263,775,000	286,700,000	286,700,000
Cash and cash equivalents	(25,929)	(25,326)	(8,628,438)	(8,628,438)
Net debt	<u>421,871,778</u>	<u>421,872,381</u>	<u>438,185,412</u>	<u>438,185,412</u>
Equity	106,672,556	106,985,518	95,824,435	95,824,435
Equity plus net debt	<u>528,544,334</u>	<u>528,857,899</u>	<u>534,009,847</u>	<u>534,009,847</u>
Gearing ratio	<u>79.8%</u>	<u>79.8%</u>	<u>82.1%</u>	<u>82.1%</u>

The Director considers that the Company's and Group's gearing ratio at 31 December 2015 was acceptable following the change of ownership and the new financing arrangements put in place with the Company's and Group's new owners, capital is managed as part of the wider group's finance function.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015

19. SHARE CAPITAL	2015 £	2014 £
Issued and fully paid:		
770,001 Ordinary shares of £1 each	770,001	770,001

Ordinary share rights

The Ordinary shares carry full voting rights, an entitlement to dividends and capital distributions, but they do not confer any rights of redemption.

20. CONTINGENT LIABILITIES

At 31 December 2015, the Group had given guarantees in respect of some of the indebtedness of the former related parties, Sahara Plaza LLC and Sahara Dreams LLC. Details of their cross-collateralised arrangements are set out in note 14. At 31 December 2015, the indebtedness of Sahara Plaza LLC and Sahara Dreams LLC subject to the guarantees was US \$409,483,984 (2014: US \$426,647,424).

The cross-guarantees were fully discharged following the change of control and new financing arrangements put in place on 6 July 2017.

21. OPERATING LEASE COMMITMENTS

Company and Group as a lessor

The Company and Group has contracted with a tenant, under a non-cancellable operating lease arrangement for a term of 30 years, expiring on 30 January 2034. Rental income earned in the year under this agreement amounted to £27,455,282 (2014: £27,060,804). Rent is subject to annual inflationary increases, subject to the achievement of certain performance criteria by the tenant.

The Company and Group has contracted with another tenant, under a non-cancellable operating lease arrangement expiring in the year 2104. Rental income earned in the year under this agreement amounted to £47,280 (2014: £50,000). The rental income is fixed until 2026 when fixed rent uplifts are applied.

22. CONTROL

Following a change of control on 6 July 2017, the Group's immediate parent company became GH Equity Limited, a company incorporated and registered in Jersey. The Group's ultimate holding entity is 2013 Iconic Trust LLC, an entity registered in USA, and the ultimate controlling party is Ben Ashkenazy.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

23. RELATED PARTY TRANSACTIONS

The Company and Group entered into the following transactions with related parties during the year ended 31 December 2015, which were related by virtue of being under the common ownership of Aamby Valley Mauritius Limited, the former parent company:

	2015 Group £	2015 Company £	2014 Group £	2014 Company £
<i>(a) Purchases of good and services</i>				
Purchases of good and services from former related parties	804,470	804,470	2,061,205	2,061,205
<i>(b) Goods and services paid on behalf of former group entities</i>				
Goods and services paid on behalf of former related parties	1,615,508	1,621,100	-	-
<i>(c) Amounts owed by former related parties</i>				
Aamby Hospitality Services (UK) Limited	13,572	13,572	-	-
Sahara US Corporation	1,601,936	1,601,936	-	-
Reeves Lease Limited	-	6,075,192	-	-
	1,615,508	7,690,700	-	-
<i>(d) Amounts owed to former related parties</i>				
Aamby Valley Mauritius Limited:				
- Eurobond loan note	158,122,707	158,122,707	160,113,850	160,113,850
- Other amounts owed	36,251,979	36,251,979	22,766,033	22,766,033
Aamby Hospitality Limited	32,624	32,624	-	-
Aamby Hospitality Services (UK) Limited	-	-	270,000	270,000
Sahara Oakvale Limited	-	-	8,017	8,017
	194,407,310	194,407,310	183,157,900	183,157,900

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2015**

23. RELATED PARTY TRANSACTIONS (Continued)

Interest of £16,398,938 (2014: £15,296,035) was charged on transactions with the former parent company, Aamby Valley Mauritius Limited, during the year, and is included within amounts owed to parent undertaking.

Other than in respect of the Eurobond loan note arrangements, the related party payables bore no interest and were unsecured. No guarantees were given in respect of these amounts.

24. POST BALANCE SHEET EVENTS

On 21 December 2016, the Group arranged an extension to its loan facility arrangements. As a result of this extension, the Administrators resigned their appointment to the Company on 21 December 2016.

On 6 July 2017, the Group was acquired by GH Equity Limited, a company incorporated in Jersey, whose ultimate holding entity is 2013 Iconic Trust LLC, an entity registered in USA, and under the control of Ben Ashkenazy.

The Group's previous financing arrangements were repaid following the acquisition, and new financing arrangements put in place at that date by the new owners of the Group. As part of the new financing arrangements, a charge dated 17 October 2017 was placed over the leasehold property which entitles the provider of the funds, Pinnacle Investments S.A., a call option to take a 51% stake in the leasehold property in the event of default.