

REGISTRAR

**GRANGE (PRESCOT STREET) LIMITED**  
**STRATEGIC REPORT, DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

John Cumming Ross Limited  
Chartered Certified Accountants  
1st Floor, Kirkland House  
11-15 Peterborough Road  
Harrow  
Middlesex  
HA1 2AX

THURSDAY

COMPANIES HOUSE



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FOR THE YEAR ENDED 31 MARCH 2016**

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**GRANGE (PRESCOT STREET) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2016**

<b>Directors:</b>	Mr R S Matharu Mr H S Matharu Mr T S Matharu
<b>Secretary:</b>	Mr H S Matharu
<b>Registered office:</b>	58 Rochester Row London SW1P 1JU
<b>Registered number:</b>	05392479 (England and Wales)
<b>Auditors:</b>	John Cumming Ross Limited Chartered Certified Accountants 1st Floor, Kirkland House 11-15 Peterborough Road Harrow Middlesex HA1 2AX
<b>Bankers:</b>	The Royal Bank of Scotland Plc Corporate Banking, London 280 Bishopsgate London EC2M 4RB
<b>Solicitors:</b>	Howard Kennedy 19 Cavendish Square London EC2M 4RB

## GRANGE (PRESCOT STREET) LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their strategic report for the year ended 31 March 2016.

#### Review of business

The company's trading and operating profit remains acceptable and the directors are satisfied with the performance during the year. The directors anticipate that the current levels of performance will be maintained in the coming year. The company's statement of financial position as detailed on page 7 shows a satisfactory position, the shareholders' funds amounting to £96,586,730 (2015 - £87,276,908).

#### Principal risks and uncertainties

The key risks affecting the business are:

##### Exposure to adverse Political and Economic Developments and currency strength relative to sterling

Travel and take up of hotel accommodation is affected by global or regional adverse political, economic and financial market developments. Such developments include inflation, recession and currency fluctuations.

Perception of and actual Terrorist Action or Health Risks and other factors limiting domestic and international travel

Actual or threatened terrorist incidents, wars and other conflicts, natural disasters, epidemics such as SARS and avian flu, travel related incidents, industrial action and increased transportation and fuel costs cause curtailment of travel and affect the volume of business and leisure travel. Only essential travel is undertaken when there are perceived additional risks due to adverse publicity on such health and safety grounds.

##### The company is exposed to a variety of risks associated with the ability to borrow, the interest rates of such borrowing and ability to satisfy debt and financial covenants

The company is reliant on having access to borrowing facilities to meet its expected capital development requirements and to maintain an efficient balance sheet. Availability and cost of funds for current and future financing is dependent on market conditions and liquidity in the capital markets.

#### Key performance indicators ("Kpis")

Whilst the company does not place significant value or weight on the kpis used widely throughout the Hotel operating and Leisure Industry it does monitor performance against some published data on some Kpis to indicate its relative performance against its competitors. In addition such data is used in the management of costs and working capital to improve operating profit. The major Kpis which it uses for these purposes are:

Occupancy rate - rooms occupied by hotel guests, expressed as a percentage of rooms that are available.

Average room rate - room revenue divided by the number of room nights sold

Revpar - This is the revenue per available room whereby total income received during a period is expressed as a multiple of rooms available to be sold during the same period.

The directors have due regard to these ratios and figures for each and every unit traded by the company and aim to improve them on a continuing basis.

Due to the commercially sensitive nature of the Kpis actual figures achieved are not disclosed.

On behalf of the board:



Mr H S Matharu - Secretary

Date: 20/12/2016

**GRANGE (PRESCOT STREET) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

**Dividends**

The results for the year are set out on page 5.

The directors do not recommend a payment of dividend.

**Future developments**

The outlook for the economy for the next year continues to be uncertain due to the effects of the continuing global financial crisis. However, the directors consider that the programme of capital expansion and investment in refurbishing and improving the hotel will continue to result in the company being able to cope with the crisis better than competitors. Management policies will continue to be reviewed in the light of changing trading conditions.

**Directors**

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

Mr R S Matharu  
Mr H S Matharu  
Mr T S Matharu

**Statement of directors' responsibilities**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

In accordance with the company's articles, a resolution proposing that John Cumming Ross Limited be reappointed as auditors of the company will be put at a General Meeting.

On behalf of the board:



Mr H S Matharu - Secretary

Date: 20/12/2016

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
GRANGE (PRESCOT STREET) LIMITED**

We have audited the financial statements of Grange (Prescot Street) Limited for the year ended 31 March 2016 on pages five to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

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



Balvantkumar B. Patel (Senior Statutory Auditor)  
for and on behalf of John Cumming Ross Limited  
Chartered Certified Accountants and Statutory Auditors  
1st Floor, Kirkland House  
11-15 Peterborough Road  
Harrow  
Middlesex  
HA1 2AX

Date: .....

26<sup>th</sup> DEC 2016

**GRANGE (PRESCOT STREET) LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
<b>Turnover</b>	3	24,968,089	23,721,656
<b>Cost of sales</b>		<u>(11,925,922)</u>	<u>(11,386,598)</u>
<b>Gross profit</b>		13,042,167	12,335,058
<b>Administrative expenses</b>		<u>(3,342,058)</u>	<u>(4,078,938)</u>
<b>Operating profit</b>	5	9,700,109	8,256,120
<b>Interest receivable and similar income</b>	6	<u>157</u>	<u>48</u>
		9,700,266	8,256,168
<b>Interest payable and similar charges</b>	7	<u>(6)</u>	<u>(1,601,740)</u>
<b>Profit on ordinary activities before taxation</b>		9,700,260	6,654,428
<b>Tax on profit on ordinary activities</b>	8	<u>(2,115,438)</u>	<u>(1,483,919)</u>
<b>Profit for the financial year</b>		<u><u>7,584,822</u></u>	<u><u>5,170,509</u></u>

The notes on pages 9 to 15 form part of these financial statements

**GRANGE (PRESCOT STREET) LIMITED**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
<b>Profit for the year</b>	7,584,822	5,170,509
<b>Other comprehensive income</b>		
Movement on deferred tax relating to revaluation of tangible fixed assets	1,725,000	50,000
Income tax relating to other comprehensive income	<u>-</u>	<u>-</u>
<b>Other comprehensive income For the year, net of income tax</b>	<u>1,725,000</u>	<u>50,000</u>
<b>Total comprehensive income for the year</b>	<u><u>9,309,822</u></u>	<u><u>5,220,509</u></u>

The notes on pages 9 to 15 form part of these financial statements



STATEMENT OF FINANCIAL POSITION  
31 MARCH 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	10	146,917,610	149,592,518
<b>Current assets</b>			
Stocks	11	138,858	81,184
Debtors	12	1,045,364	1,526,075
Cash at bank and in hand		<u>2,449,205</u>	<u>1,760,442</u>
		3,633,427	3,367,701
<b>Creditors</b>			
Amounts falling due within one year	13	<u>(37,714,307)</u>	<u>(47,883,311)</u>
<b>Net current liabilities</b>		<u>(34,080,880)</u>	<u>(44,515,610)</u>
<b>Total assets less current liabilities</b>		112,836,730	105,076,908
<b>Provisions for liabilities</b>	14	<u>(16,250,000)</u>	<u>(17,800,000)</u>
<b>Net assets</b>		<u>96,586,730</u>	<u>87,276,908</u>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Revaluation reserve	16	74,068,600	72,790,000
Retained earnings	16	<u>22,518,129</u>	<u>14,486,907</u>
<b>Shareholders' funds</b>		<u>96,586,730</u>	<u>87,276,908</u>

The financial statements were approved by the Board of Directors on 20/12/2016 and were signed on its behalf by:

  
 .....  
 Mr R S Matharu - Director

**GRANGE (PRESCOT STREET) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
<b>Balance at 1 April 2014</b>	1	8,386,398	73,670,000	82,056,399
<b>Changes in equity</b>				
Total comprehensive income	-	5,170,509	50,000	5,220,509
Transfer of depreciation from revaluation reserve	-	930,000	(930,000)	-
<b>Balance at 31 March 2015</b>	<u>1</u>	<u>14,486,907</u>	<u>72,790,000</u>	<u>87,276,908</u>
<b>Changes in equity</b>				
Total comprehensive income	-	7,584,822	1,725,000	9,309,822
Transfer of depreciation from revaluation reserve	-	446,400	(446,400)	-
<b>Balance at 31 March 2016</b>	<u>1</u>	<u>22,518,129</u>	<u>74,068,600</u>	<u>96,586,730</u>

The notes on pages 9 to 15 form part of these financial statements

## GRANGE (PRESCOT STREET) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 1. Company information

Grange (Prescot Street) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 58 Rochester Row, Victoria, London, SW1P 1JU.

The financial statements of the company are consolidated in the financial statements of Globalgrange Limited. These consolidated financial statements are available from its registered office, 58 Rochester Row, Victoria, London, SW1P 1JU.

#### 2. Accounting policies

##### Basis of preparation

These financial statements have been prepared in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2006. The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The presentation currency of the financial statements is the Pound Sterling (£). Monetary amounts in these financial statements are rounded to the nearest pound £.

These financial statements are the first financial statements of Grange (Prescot Street) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Grange (Prescot Street) Limited for the year ended 31 March 2015 were prepared in accordance with previous UK GAAP.

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date of 1 April 2014.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

##### Significant judgements and estimates

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

Key accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates 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 include:

Depreciation rates

The directors set depreciation rates based upon their estimate of the useful lives of the assets.

Valuation of fixed assets

The directors obtain professional valuations of the freehold land and buildings to inform them of the valuation of the company's properties. At each year end, in the absence of a professional valuation, the director use their experience and professional judgement to assess whether there has been a material change in the carrying value of the land and buildings. There is an element of judgement in this assessment of carrying value.

##### Correction of prior period error

The directors have restated the bank loan within the company statement of financial position and presented them within amounts owed to group undertaking. The representation of the bank loan was made on the basis that the directors consider this more accurately reflects the legal position set out within the bank lending agreement. The impact of this restatement is to reduce bank loans due within one year by £2,801,932 and to reduce bank loans due more than one year by £51,666,653 and to increase amounts owed to group undertakings by £54,468,585. This adjustment does not have any impact on the net assets of the company.

2. Accounting policies - continued

**Turnover**

Turnover represents the amount derived from the provision of accommodation, conference facilities and meals. Income is recognised on the date of occupation for accommodation and meals, and on the date of the event for conference facilities. Turnover excludes value added tax, and relates solely to the United Kingdom.

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold property	1% on a straight line basis
Plant and machinery	4% to 25% on a straight line basis

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The property fair value can be measured reliably and is held under the revaluation model and is carried at a revalued amount, being the fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and building is usually considered to be their market value.

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

The part of the annual depreciation charge on the revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account reserve.

**Impairment of fixed assets**

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less estimated cost of disposal. Provision is made for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2016

## 2. 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 and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

**Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Pension costs**

Contributions are made for the majority of the staff to the workplace pension scheme established under the automatic enrolment legislation. All eligible staff are entitled to join the pension scheme. Contributions payable are charged to profit or loss in the year they are payable.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Financial instruments**

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**Other financial assets**

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

## 3. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

## 4. Staff costs

	2016	2015
	£	£
Wages and salaries	5,176,040	4,814,992
Social security costs	354,207	351,686
Other pension costs	33,179	23,221
	<u>5,563,426</u>	<u>5,189,899</u>

**GRANGE (PRESCOT STREET) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2016**

**4. Staff costs - continued**

The average monthly number of employees during the year was as follows:

	2016	2015
Hotel operating and sales	223	215
Administration and management	<u>25</u>	<u>23</u>
	<u>248</u>	<u>238</u>

The average monthly number of employees includes directors.

**5. Operating profit**

The operating profit is stated after charging:

	2016 £	2015 £
Hire of plant and machinery	65,009	43,467
Depreciation - owned assets	2,739,670	3,476,758
Auditors' remuneration	<u>6,600</u>	<u>6,375</u>

Directors' remuneration	<u>-</u>	<u>-</u>
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**6. Interest receivable and similar income**

	2016 £	2015 £
Other interest	<u>157</u>	<u>48</u>

**7. Interest payable and similar charges**

	2016 £	2015 £
Bank interest	6	-
Bank loan interest	<u>-</u>	<u>1,601,740</u>
	<u>6</u>	<u>1,601,740</u>

**8. Taxation**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	1,950,000	1,800,000
Adjustment for prior years	<u>(9,562)</u>	<u>(71,081)</u>
Total current tax	1,940,438	1,728,919
Deferred tax	<u>175,000</u>	<u>(245,000)</u>
Tax on profit on ordinary activities	<u>2,115,438</u>	<u>1,483,919</u>

**GRANGE (PRESCOT STREET) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2016**

**8. Taxation - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>9,700,260</u>	<u>6,654,428</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	1,940,052	1,397,430
Effects of:		
Expenses not deductible for tax purposes	2,740	5,837
Depreciation in excess of capital allowances	220,542	335,877
Adjustments to tax charge in respect of previous periods	(9,562)	(71,081)
Transfer pricing tax adjustment- no accounting charge made	(216,649)	51,294
Other tax adjustments	3,315	9,562
Deferred tax charge for the year	<u>175,000</u>	<u>(245,000)</u>
Total tax charge	<u>2,115,438</u>	<u>1,483,919</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £	Tax £	2016 Net £
Movement on deferred tax relating to revaluation of tangible fixed assets	<u>1,725,000</u>	-	<u>1,725,000</u>
	<u>1,725,000</u>	-	<u>1,725,000</u>
	Gross £	Tax £	2015 Net £
Movement on deferred tax relating to revaluation of tangible fixed assets	<u>50,000</u>	-	<u>50,000</u>
	<u>50,000</u>	-	<u>50,000</u>

A reduction in the UK corporation tax rate from 21% to 20% took effect from 1 April 2015. A further reduction to 19% and subsequently to 18% was substantively enacted in November 2015 and will take effect from 1 April 2017 and 1 April 2020 respectively.

**9. Retirement benefits**

	2016 £	2015 £
Contributions payable by the company for the year	<u>33,179</u>	<u>23,221</u>

**10. Tangible fixed assets**

	Land and buildings freehold £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 April 2015	137,925,293	26,086,894	164,012,187
Additions	-	64,762	64,762
At 31 March 2016	<u>137,925,293</u>	<u>26,151,656</u>	<u>164,076,949</u>
<b>DEPRECIATION</b>			
At 1 April 2015	4,306,389	10,113,280	14,419,669
Charge for year	<u>663,974</u>	<u>2,075,696</u>	<u>2,739,670</u>
At 31 March 2016	<u>4,970,363</u>	<u>12,188,976</u>	<u>17,159,339</u>
<b>NET BOOK VALUE</b>			
At 31 March 2016	<u>132,954,930</u>	<u>13,962,680</u>	<u>146,917,610</u>
At 31 March 2015	<u>133,618,904</u>	<u>15,973,614</u>	<u>149,592,518</u>

**GRANGE (PRESCOT STREET) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2016**

**10. Tangible fixed assets - continued**

The hotel property was revalued on an existing use basis as at 31 March 2016 by CB Richard Ellis Hotels Limited. The valuations were carried out in accordance with Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors. The depreciated historical cost of the hotel property as at 31 March 2016 was £42.7 million (£43.1million). The directors are not aware of any material change in values of the hotel property.

**11. Stocks**

	2016 £	2015 £
Goods for resale	<u>138,858</u>	<u>81,184</u>

**12. Debtors: amounts falling due within one year**

	2016 £	2015 £
Trade debtors	885,339	1,394,586
Prepayments and accrued income	<u>160,025</u>	<u>131,489</u>
	<u>1,045,364</u>	<u>1,526,075</u>

**13. Creditors: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	667,424	663,749
Amounts owed to group undertakings	32,747,401	43,269,635
Corporation tax	1,950,000	1,800,000
VAT	918,155	910,207
Accruals and deferred income	<u>1,431,327</u>	<u>1,239,720</u>
	<u>37,714,307</u>	<u>47,883,311</u>

**14. Provisions for liabilities**

	2016 £	2015 £
Deferred tax		
Accelerated capital allowances	650,000	300,000
Other timing differences	<u>15,600,000</u>	<u>17,500,000</u>
	<u>16,250,000</u>	<u>17,800,000</u>

	Deferred tax £
Balance at 1 April 2015	17,800,000
Charge to Income Statement during year	175,000
Credit to other comprehensive income	<u>(1,725,000)</u>
Balance at 31 March 2016	<u>16,250,000</u>

**15. Called up share capital**

Allotted, issued and fully paid:	Nominal value:	2016 £	2015 £
Number: Class:			
1 Ordinary share	£1.00	<u>1</u>	<u>1</u>

**16. Reserves**

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2015	14,486,907	72,790,000	87,276,907
Profit for the year	7,584,822		7,584,822
Movement on revaluation	-	1,725,000	1,725,000
Transfer of depreciation from revaluation reserve	<u>446,400</u>	<u>(446,400)</u>	-
At 31 March 2016	<u>22,518,129</u>	<u>74,068,600</u>	<u>96,586,729</u>



**GRANGE (PRESCOT STREET) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2016**

**17. Ultimate parent company**

The company's ultimate parent undertaking at the balance sheet date was Globalgrange Limited, a company registered in England and Wales. Copies of the financial statements of Globalgrange Limited are available from its registered office at 58 Rochester Row, Westminster, London SW1P 1JU. Globalgrange Limited is owned and controlled by its directors.

**18. Contingent liabilities**

The company is party to cross guarantees given to its bankers in respect of credit and overdraft facilities provided to its parent undertaking and subsidiaries. As at the year end, the parent undertaking total loans outstanding was £133.688 million (£140.938 million).

**19. Related party relationships and transactions**

As at 31 March 2016 the amounts due to / (from) group undertakings were as follows:

Name of company	Relationship	2016 £	2015 £
Globalgrange Limited	ultimate parent undertaking	23,442,914	33,965,148
Sectormatch Limited	parent undertaking	9,304,487	9,304,487

**20. First year adoption**

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014.

**(1) Deferred taxation**

The impact on deferred tax as a result of the adjustments is as follows:

**(i) Revaluation of land and buildings:**

Under previous UK GAAP, the Group was not required to provide for taxation on revaluations, unless a binding sale agreement had been entered into and the gain or loss expected to arise had been recognised. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluations.

A deferred tax charge of £17.750 million for tangible fixed assets was provided as at 1 April 2014. In the year ended 31 March 2015, credits of £200,000 and £50,000 were provided for in the consolidated income statement and consolidated other comprehensive income respectively.

GRANGE (PRESCOT STREET) LIMITED

RECONCILIATION OF EQUITY

1 APRIL 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>Fixed assets</b>				
Tangible assets		<u>152,931,616</u>	-	<u>152,931,616</u>
<b>Current assets</b>				
Stocks		81,038	-	81,038
Debtors		16,414,267	-	16,414,267
Cash at bank and in hand		<u>1,191,163</u>	-	<u>1,191,163</u>
		<u>17,686,468</u>	-	<u>17,686,468</u>
<b>Creditors</b>				
Amounts falling due within one year		<u>(15,998,100)</u>	-	<u>(15,998,100)</u>
<b>Net current assets</b>		<u>1,688,368</u>	-	<u>1,688,368</u>
<b>Total assets less current liabilities</b>		154,619,984	-	154,619,984
<b>Creditors</b>				
Amounts falling due after more than one year		(54,468,585)	-	(54,468,585)
<b>Provisions for liabilities</b>	20(1)(i)	<u>(345,000)</u>	<u>(17,750,000)</u>	<u>(18,095,000)</u>
<b>Net assets</b>		<u>99,806,399</u>	<u>(17,750,000)</u>	<u>82,056,399</u>
<b>Capital and reserves</b>				
Called up share capital		1	-	1
Revaluation reserve		91,420,000	(17,750,000)	73,670,000
Retained earnings		<u>8,386,398</u>	-	<u>8,386,398</u>
<b>Shareholders' funds</b>		<u>99,806,399</u>	<u>(17,750,000)</u>	<u>82,056,399</u>

The notes on pages 9 to 15 form part of these financial statements

GRANGE (PRESCOT STREET) LIMITED

RECONCILIATION OF EQUITY - continued  
31 MARCH 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>Fixed assets</b>				
Tangible assets		149,592,518	-	149,592,518
<b>Current assets</b>				
Stocks		81,184	-	81,184
Debtors		1,526,075	-	1,526,075
Cash at bank and in hand		1,760,442	-	1,760,442
		3,367,701	-	3,367,701
<b>Creditors</b>				
Amounts falling due within one year		(47,883,311)	-	(47,883,311)
<b>Net current liabilities</b>		(44,515,610)	-	(44,515,610)
<b>Total assets less current liabilities</b>		105,076,908	-	105,076,908
<b>Provisions for liabilities</b>	20(1)(i)	(300,000)	(17,500,000)	(17,800,000)
<b>Net assets</b>		104,776,908	(17,500,000)	87,276,908
<b>Capital and reserves</b>				
Called up share capital		1	-	1
Revaluation reserve		90,490,000	(17,700,000)	72,790,000
Retained earnings		14,286,907	200,000	14,486,907
<b>Shareholders' funds</b>		104,776,908	(17,500,000)	87,276,908

The notes on pages 9 to 15 form part of these financial statements

**GRANGE (PRESCOT STREET) LIMITED**

**RECONCILIATION OF PROFIT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Turnover		23,721,656	-	23,721,656
Cost of sales		(11,386,598)	-	(11,386,598)
<b>Gross profit</b>		<b>12,335,058</b>	<b>-</b>	<b>12,335,058</b>
Administrative expenses		(4,078,938)	-	(4,078,938)
<b>Operating profit</b>		<b>8,256,120</b>	<b>-</b>	<b>8,256,120</b>
Interest receivable and similar income		48	-	48
Interest payable and similar charges		(1,601,740)	-	(1,601,740)
<b>Profit on ordinary activities before taxation</b>		<b>6,654,428</b>	<b>-</b>	<b>6,654,428</b>
Tax on profit on ordinary activities	20(1)(i)	(1,683,919)	200,000	(1,483,919)
<b>Profit for the financial year</b>		<b>4,970,509</b>	<b>200,000</b>	<b>5,170,509</b>

The notes on pages 9 to 15 form part of these financial statements