

REGISTRAR

4 HOWLEY PLACE 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

COMPANIES HOUSE

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29/12/2016

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FOR THE YEAR ENDED 31 MARCH 2016**

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4 HOWLEY PLACE LIMITED

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

Directors:	Mr R S Matharu Mr H S Matharu Mr T S Matharu
Secretary:	Mr H S Matharu
Registered office:	58 Rochester Row London SW1P 1JU
Registered number:	06329732 (England and Wales)
Auditors:	John Cumming Ross Limited Chartered Certified Accountants 1st Floor, Kirkland House 11-15 Peterborough Road Harrow Middlesex HA1 2AX
Bankers:	Lloyds Bank Plc 4th Floor 25 Gresham Street London EC2V 7HN
Solicitors:	Bishop and Sewell 59-60 Russell Square London WC1B 4HP

**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 £5,100,702 (2015 - £1,798,379).

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

**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.

Principal activity

The principal activity of the company in the year under review was that of hoteliers.

Dividends

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

The directors do not recommend payment of ordinary dividend.

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

Financial instruments

The bank loan facility is secured by a legal charge over the property and by a floating charge on the assets of the company. The facility is reviewed annually alongside the business plans and budgets for the forthcoming year. The company is required to use interest rate swaps to hedge against changes in interest rates.

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
4 HOWLEY PLACE LIMITED**

We have audited the financial statements of 4 Howley Place 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: 26th Dec 2016

4 HOWLEY PLACE LIMITED

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

	Notes	2016 £	2015 £
Turnover	3	20,614,625	20,664,554
Cost of sales		<u>(8,751,644)</u>	<u>(8,842,123)</u>
Gross profit		11,862,981	11,822,431
Administrative expenses		<u>(3,430,203)</u>	<u>(4,509,853)</u>
Operating profit	5	8,432,778	7,312,578
Fair value gains or (losses)		<u>13,094</u>	<u>(698,642)</u>
		8,445,872	6,613,936
Interest receivable and similar income	6	<u>192</u>	<u>353</u>
		8,446,064	6,614,289
Interest payable and similar charges	7	<u>(4,972,717)</u>	<u>(5,054,061)</u>
Profit on ordinary activities before taxation		3,473,347	1,560,228
Tax on profit on ordinary activities	8	<u>(171,024)</u>	<u>(26,050)</u>
Profit for the financial year		<u><u>3,302,323</u></u>	<u><u>1,534,178</u></u>

The notes form part of these financial statements

4 HOWLEY PLACE LIMITED

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

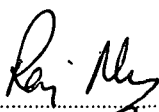
	2016 £	2015 £
Profit for the year	3,302,323	1,534,178
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>3,302,323</u></u>	<u><u>1,534,178</u></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MARCH 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	10	1	1
Tangible assets	11	<u>167,665,511</u>	<u>168,587,088</u>
		<u>167,665,512</u>	<u>168,587,089</u>
Current assets			
Stocks	12	63,430	68,743
Debtors	13	943,341	1,356,391
Cash at bank and in hand		<u>258,498</u>	<u>216,312</u>
		1,265,269	1,641,446
Creditors			
Amounts falling due within one year	14	<u>(94,037,031)</u>	<u>(93,661,514)</u>
Net current liabilities		<u>(92,771,762)</u>	<u>(92,020,068)</u>
Total assets less current liabilities		74,893,750	76,567,021
Creditors			
Amounts falling due after more than one year	15	(69,435,548)	(74,448,642)
Provisions for liabilities	18	<u>(357,500)</u>	<u>(320,000)</u>
Net assets		<u>5,100,702</u>	<u>1,798,379</u>
Capital and reserves			
Called up share capital	19	1	1
Retained earnings	20	<u>5,100,701</u>	<u>1,798,378</u>
Shareholders' funds		<u>5,100,702</u>	<u>1,798,379</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

4 HOWLEY PLACE LIMITED

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	1	264,200	264,201
Changes in equity			
Total comprehensive income	-	1,534,178	1,534,178
Balance at 31 March 2015	1	1,798,378	1,798,379
Changes in equity			
Total comprehensive income	-	3,302,323	3,302,323
Balance at 31 March 2016	1	5,100,701	5,100,702

The notes form part of these financial statements

4 HOWLEY PLACE LIMITED

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

1. Company information

4 Howley Place 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 4 Howley Place 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 4 Howley Place 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 FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date of 1 April 2014.

On the basis of continued financial support from the company's parent undertaking, the directors consider that the company will continue in operational existence in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of the facility by the company's parent undertaking.

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.

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.

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

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

2. Accounting policies - continued

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) in 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

Stock is 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.

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.

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

2. Accounting policies - continued

Pensions

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 chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawdown. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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 HOWLEY PLACE LIMITED

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

4. Staff costs

	2016 £	2015 £
Wages and salaries	4,311,745	4,220,132
Social security costs	322,546	318,917
Other pension costs	29,670	22,795
	<u>4,663,961</u>	<u>4,561,844</u>

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

	2016	2015
Hotel operating and sales	197	207
Administration and management	21	22
	<u>218</u>	<u>229</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	63,244	64,335
Depreciation - owned assets	1,142,760	1,980,285
Auditors' remuneration	4,400	4,350

Directors' remuneration	-	-
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6. Interest receivable and similar income

	2016 £	2015 £
Bank interest	192	353

7. Interest payable and similar charges

	2016 £	2015 £
Bank interest	1,636	7,640
Bank loan interest	2,202,165	2,332,685
Other interest	314,445	341,261
Interest to group companies	2,454,471	2,372,475
	<u>4,972,717</u>	<u>5,054,061</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	325,000	256,000
Adjustment for prior years	(191,476)	(99,950)
Total current tax	133,524	156,050
Deferred tax	37,500	(130,000)
Tax on profit on ordinary activities	<u>171,024</u>	<u>26,050</u>

4 HOWLEY PLACE 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 lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>3,473,347</u>	<u>1,560,228</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	694,669	327,648
Effects of:		
Expenses not deductible for tax purposes	(333)	151,673
Depreciation in excess of capital allowances	164,130	337,759
Utilisation of tax losses	(544,578)	(547,153)
Adjustments to tax charge in respect of previous periods	(191,476)	(99,950)
Transfer pricing tax adjustment-no accounting charge made	-	(14,123)
Other tax adjustment	11,112	196
Deferred tax charge for the year	<u>37,500</u>	<u>(130,000)</u>
Total tax charge	<u>171,024</u>	<u>26,050</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>29,670</u>	<u>22,795</u>

10. Intangible fixed assets

	Goodwill £
COST	
At 1 April 2015 and 31 March 2016	<u>1</u>
NET BOOK VALUE	
At 31 March 2016	<u>1</u>
At 31 March 2015	<u>1</u>

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 April 2015	166,680,000	4,375,721	171,055,721
Additions	<u>126,284</u>	<u>94,899</u>	<u>221,183</u>
At 31 March 2016	<u>166,806,284</u>	<u>4,470,620</u>	<u>171,276,904</u>
DEPRECIATION			
At 1 April 2015	2,081,708	386,925	2,468,633
Charge for year	<u>820,922</u>	<u>321,838</u>	<u>1,142,760</u>
At 31 March 2016	<u>2,902,630</u>	<u>708,763</u>	<u>3,611,393</u>
NET BOOK VALUE			
At 31 March 2016	<u>163,903,654</u>	<u>3,761,857</u>	<u>167,665,511</u>
At 31 March 2015	<u>164,598,292</u>	<u>3,988,796</u>	<u>168,587,088</u>

The historical cost of land and buildings as at 31 March 2016 is £163.904 million (2015 - £164.598 million).

12. Stocks

	2016 £	2015 £
Goods for resale	<u>63,430</u>	<u>68,743</u>

4 HOWLEY PLACE LIMITED

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

13. Debtors: amounts falling due within one year

	2016	2015
	£	£
Trade debtors	442,124	722,982
Prepayments and accrued income	501,217	633,409
	<u>943,341</u>	<u>1,356,391</u>

14. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts (see note 16)	5,000,000	5,035,881
Trade creditors	413,515	466,247
Amounts owed to group undertakings	86,543,581	86,254,800
Corporation tax	325,000	256,000
VAT	823,252	824,607
Accruals and deferred income	931,683	823,979
	<u>94,037,031</u>	<u>93,661,514</u>

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

	2016	2015
	£	£
Bank loans (see note 16)	68,750,000	73,750,000
Other creditors	685,548	698,642
	<u>69,435,548</u>	<u>74,448,642</u>

16. Loans

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	35,881
Bank loans	<u>5,000,000</u>	<u>5,000,000</u>
	<u>5,000,000</u>	<u>5,035,881</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>5,000,000</u>	<u>5,000,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>63,750,000</u>	<u>68,750,000</u>

17. Secured debts

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank loans	<u>73,750,000</u>	<u>78,750,000</u>

The bank loan is secured by a legal charge over the property and by a floating charge on the assets of the company.

The bank loan is repayable by quarterly instalments. The interest payable on the loan is LIBOR + 2.35% per annum.

18. Provisions for liabilities

	2016	2015
	£	£
Deferred tax		
Accelerated capital allowances	460,000	460,000
Other timing differences	(102,500)	(140,000)
	<u>357,500</u>	<u>320,000</u>

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

18. Provisions for liabilities - continued

				Deferred tax £
	Balance at 1 April 2015			320,000
	Charge to Income Statement during year			<u>37,500</u>
	Balance at 31 March 2016			<u><u>357,500</u></u>

19. Called up share capital

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

20. Reserves

				Retained earnings £
	At 1 April 2015			1,798,378
	Profit for the year			<u>3,302,323</u>
	At 31 March 2016			<u><u>5,100,701</u></u>

21. 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, London, SW1P 1JU. Globalgrange Limited is owned and controlled by its directors.

22. Related party relationships and transactions

As at 31 March 2016 amount due to Globalgrange Limited, the company's parent undertaking was £86,543,581 (2015 - £86,254,800).

23. 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) Derivative financial instruments

FRS 102 requires derivative financial instruments to be recognised at fair value. Previously under UK GAAP the company did not recognise these instruments in the financial statements. Accordingly liabilities of £698,642 were recognised as due after more than one year as at 31 March 2015. A pre-tax loss of £698,642 was recognised in the consolidated income statement for the year ended 31 March 2015.

(2) Deferred taxation

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

(i) Fair value of interest rate SWAP instruments:

Deferred tax assets of £140,000 was recognised as at 31 March 2015.

4 HOWLEY PLACE LIMITED

RECONCILIATION OF EQUITY

1 APRIL 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Intangible assets		1	-	1
Tangible assets		169,671,989	-	169,671,989
		<u>169,671,990</u>	<u>-</u>	<u>169,671,990</u>
Current assets				
Stocks		73,163	-	73,163
Debtors		1,176,329	-	1,176,329
Cash at bank and in hand		402,966	-	402,966
		<u>1,652,458</u>	<u>-</u>	<u>1,652,458</u>
Creditors				
Amounts falling due within one year		(91,860,247)	-	(91,860,247)
Net current liabilities		<u>(90,207,789)</u>	<u>-</u>	<u>(90,207,789)</u>
Total assets less current liabilities		79,464,201	-	79,464,201
Creditors				
Amounts falling due after more than one year		(78,750,000)	-	(78,750,000)
Provisions for liabilities		<u>(450,000)</u>	<u>-</u>	<u>(450,000)</u>
Net assets		<u>264,201</u>	<u>-</u>	<u>264,201</u>
Capital and reserves				
Called up share capital		1	-	1
Retained earnings		264,200	-	264,200
Shareholders' funds		<u>264,201</u>	<u>-</u>	<u>264,201</u>

The notes form part of these financial statements

4 HOWLEY PLACE LIMITED

RECONCILIATION OF EQUITY - continued 31 MARCH 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Intangible assets		1	-	1
Tangible assets		<u>168,587,088</u>	<u>-</u>	<u>168,587,088</u>
		<u>168,587,089</u>	<u>-</u>	<u>168,587,089</u>
Current assets				
Stocks		68,743	-	68,743
Debtors		1,356,391	-	1,356,391
Cash at bank and in hand		<u>216,312</u>	<u>-</u>	<u>216,312</u>
		<u>1,641,446</u>	<u>-</u>	<u>1,641,446</u>
Creditors				
Amounts falling due within one year		<u>(93,661,514)</u>	<u>-</u>	<u>(93,661,514)</u>
Net current liabilities		<u>(92,020,068)</u>	<u>-</u>	<u>(92,020,068)</u>
Total assets less current liabilities		76,567,021	-	76,567,021
Creditors				
Amounts falling due after more than one year	23(1)	(73,750,000)	(698,642)	(74,448,642)
Provisions for liabilities	23(2)(i)	<u>(460,000)</u>	<u>140,000</u>	<u>(320,000)</u>
Net assets		<u>2,357,021</u>	<u>(558,642)</u>	<u>1,798,379</u>
Capital and reserves				
Called up share capital		1	-	1
Retained earnings		<u>2,357,020</u>	<u>(558,642)</u>	<u>1,798,378</u>
Shareholders' funds		<u>2,357,021</u>	<u>(558,642)</u>	<u>1,798,379</u>

The notes form part of these financial statements

4 HOWLEY PLACE LIMITED

RECONCILIATION OF PROFIT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Turnover		20,664,554	-	20,664,554
Cost of sales		<u>(8,842,123)</u>	<u>-</u>	<u>(8,842,123)</u>
Gross profit		11,822,431	-	11,822,431
Administrative expenses		<u>(4,509,853)</u>	<u>-</u>	<u>(4,509,853)</u>
Operating profit		7,312,578	-	7,312,578
Fair value gains or (losses)	23(1)	-	(698,642)	(698,642)
Interest receivable and similar income		353	-	353
Interest payable and similar charges		<u>(5,054,061)</u>	<u>-</u>	<u>(5,054,061)</u>
Profit on ordinary activities before taxation		2,258,870	(698,642)	1,560,228
Tax on profit on ordinary activities	23(2)(i)	<u>(166,050)</u>	<u>140,000</u>	<u>(26,050)</u>
Profit for the financial year		<u>2,092,820</u>	<u>(558,642)</u>	<u>1,534,178</u>

The notes form part of these financial statements