

COMPANY REGISTRATION NUMBER 08760550

TOPLAND HOTELS (NO. 9) LIMITED

FINANCIAL STATEMENTS

31 MAY 2015

WEDNESDAY



A4LDMUCJ

A10

02/12/2015

#101

COMPANIES HOUSE

TOPLAND HOTELS (NO. 9) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

CONTENTS	PAGE
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Group statement of total recognised gains and losses	7
Group balance sheet	8
Balance sheet	9
Group cash flow cash flow statement	10
Notes to the financial statements	11

TOPLAND HOTELS (NO. 9) LIMITED.
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr M S Kingston
Mr S Zakay
Mr L J Benjamin

Company secretary

Mrs C F Moharm

Registered office

55 Baker Street
London
W1U 7EU

Auditor

Kilsby & Williams LLP
Chartered Accountants
& Statutory Auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

Bankers

Barclays Bank plc
50 Pall Mall
London
SW1A 1QA

TOPLAND HOTELS (NO. 9) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MAY 2015

The directors present their report and the financial statements of the group for the year ended 31 May 2015.

BUSINESS REVIEW

The principal activity of the group during the financial period was that of owning and leasing the Menzies Flitwick Manor Hotel, Flitwick.

Given the straightforward nature of the business and private ownership, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the group.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £21,850. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

The group's principal instruments comprise of loans to and from related companies. The main purpose of these instruments is to fund the group's operations. The group manages the liquidity risk by ensuring there are sufficient funds to meet these payments.

DIRECTORS

The directors who served the company during the year were as follows:

Mr R W Jones
Mr M S Kingston
Mrs C F Moharm
Mr E Zakay
Mr S Zakay
Mr L J Benjamin

Mr L J Benjamin was appointed as a director on 3 November 2014.

Mrs C F Moharm retired as a director on 3 November 2014.

Mr E Zakay retired as a director on 3 November 2014.

Mr R W Jones retired as a director on 9 July 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). 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 the group and of the profit or loss of the group for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

TOPLAND HOTELS (NO. 9) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MAY 2015

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

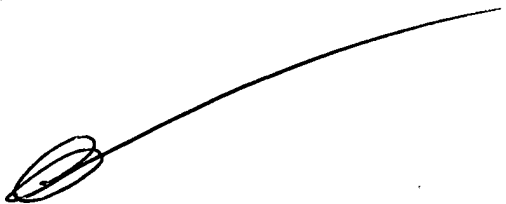
AUDITOR

Kilsby & Williams LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors



Mrs C F Moharm
Company Secretary

Approved by the directors on ... 12/11/15

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
OF TOPLAND HOTELS (NO. 9) LIMITED
YEAR ENDED 31 MAY 2015**

We have audited the group and parent company financial statements of Topland Hotels (No. 9) Limited for the year ended 31 May 2015 which comprise the Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Cash Flow Statement and the related notes. 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).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 May 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
OF TOPLAND HOTELS (NO. 9) LIMITED (CONTINUED)
YEAR ENDED 31 MAY 2015**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept 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.

 27th November 2015

Simon Tee (Senior Statutory Auditor)
For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & Statutory Auditor

Cedar House
Hazell Drive
Newport
NP10 8FY

TOPLAND HOTELS (NO. 9) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MAY 2015

		Year to	Period from
		31 May 15	4 Nov 13 to
	Note	£	31 May 14
		£	£
GROUP TURNOVER	2	70,001	35,564
Administrative expenses		(2,637)	1,641
OPERATING PROFIT	3	<u>67,364</u>	<u>37,205</u>
Attributable to:			
Operating profit before exceptional items		67,364	33,927
Exceptional items	3	<u>—</u>	<u>3,278</u>
		67,364	37,205
Interest payable and similar charges	5	(37,579)	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>29,785</u>	<u>37,205</u>
Tax on profit on ordinary activities	6	(7,935)	20,985
PROFIT FOR THE FINANCIAL YEAR	7	<u>21,850</u>	<u>58,190</u>

All of the activities of the group are classed as acquired and continuing.

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account.

The notes on pages 11 to 23 form part of these financial statements.

TOPLAND HOTELS (NO. 9) LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MAY 2015

	Year to 31 May 15 £	Period from 4 Nov 13 to 31 May 14 £
Profit for the financial year attributable to the shareholders of the parent company	21,850	58,190
Unrealised profit on revaluation of certain fixed assets	<u>200,000</u>	<u>189,133</u>
Total gains and losses recognised since the last annual report	<u><u>221,850</u></u>	<u><u>247,323</u></u>

The notes on pages 11 to 23 form part of these financial statements.

TOPLAND HOTELS (NO. 9) LIMITED

GROUP BALANCE SHEET

31 MAY 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	(304,019)	(304,019)
Tangible assets	9	2,516,392	2,300,000
		<u>2,212,373</u>	<u>1,995,981</u>
CURRENT ASSETS			
Debtors	11	14,050	27,678
CREDITORS: Amounts falling due within one year	13	423,232	1,775,336
NET CURRENT LIABILITIES		<u>(409,182)</u>	<u>(1,747,658)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,803,191	248,323
CREDITORS: Amounts falling due after more than one year	14	1,333,018	—
		<u>470,173</u>	<u>248,323</u>
CAPITAL AND RESERVES			
Called up equity share capital	18	1,000	1,000
Revaluation reserve	19	389,133	189,133
Profit and loss account	19	80,040	58,190
SHAREHOLDERS' FUNDS	20	<u>470,173</u>	<u>248,323</u>

These accounts were approved by the directors and authorised for issue on 12/11/15, and are signed on their behalf by:

Mr S Zakay



The notes on pages 11 to 23 form part of these financial statements.

TOPLAND HOTELS (NO. 9) LIMITED

BALANCE SHEET

31 MAY 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Investments	10	<u>1,769,275</u>	<u>1,769,275</u>
CURRENT ASSETS			
Debtors	11	1,000	1,000
CREDITORS: Amounts falling due within one year	13	<u>475,830</u>	<u>1,770,162</u>
NET CURRENT LIABILITIES		<u>(474,830)</u>	<u>(1,769,162)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,294,445</u>	<u>113</u>
CREDITORS: Amounts falling due after more than one year	14	<u>1,333,018</u>	<u>—</u>
		<u>(38,573)</u>	<u>113</u>
CAPITAL AND RESERVES			
Called up equity share capital	18	1,000	1,000
Profit and loss account	19	<u>(39,573)</u>	<u>(887)</u>
(DEFICIT)/SHAREHOLDERS' FUNDS		<u>(38,573)</u>	<u>113</u>

These accounts were approved by the directors and authorised for issue on 22/11/15, and are signed on their behalf by:

.....
Mr S Zakay

Company Registration Number: 08760550



The notes on pages 11 to 23 form part of these financial statements.

TOPLAND HOTELS (NO. 9) LIMITED

GROUP CASH FLOW CASH FLOW STATEMENT

YEAR ENDED 31 MAY 2015

		Year to	Period from
		31 May 15	4 Nov 13 to
		£	31 May 14
	Note		£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	21	-	-
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21	-	-
TAXATION	21	-	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21	-	-
ACQUISITIONS AND DISPOSALS	21	-	-
CASH INFLOW BEFORE FINANCING		-	-
FINANCING	21	-	-
INCREASE IN CASH		-	-

The notes on pages 11 to 23 form part of these financial statements.

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off in the period in which assets are recovered whether through depreciation or by disposal. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Related parties transactions

The company is a wholly owned subsidiary of Topland Group Holdings International Limited, a company registered in the British Virgin Islands. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of this group.

Turnover

Turnover is defined as the amounts derived from the leasing of hotel property falling within the company's ordinary activities after the deduction of value added tax and any other sales based taxes. Turnover is recognised as the proportion of lease rental payments due to date. Where payments are received from lessees in advance, the amounts are recorded as deferred income and included as part of creditors within one year.

Amortisation

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

Goodwill - in period expected to benefit

Fixed assets

All fixed assets are initially recorded at cost or valuation.

Depreciation

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

Plant & Machinery - 6.67% - 20% straight line

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

1. ACCOUNTING POLICIES *(continued)*

Depreciation is not provided on land nor charged on freehold or long leasehold buildings as it is not material. Short leasehold buildings are depreciated over the unexpired term of the lease when less than 50 years.

In accordance with FRS 15, an annual impairment review was performed on freehold and long leasehold buildings. The group will commission a full valuation of its properties by a qualified valuer at least once every five years with an interim valuation in the third year or more frequently where it is likely there has been a material change in value.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

1. ACCOUNTING POLICIES *(continued)*

Derivative instruments

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. The company also uses interest rate swaps to adjust interest rate exposures.

The company considers its derivative instruments qualify for hedge accounting when certain criteria are met.

Forward foreign currency contracts

The criteria for forward foreign currency contracts are:

- the instrument must be related to a foreign currency asset or liability that is probable and whose characteristics have been identified;
- it must involve the same currency as the hedged item; and
- it must reduce the risk of foreign currency exchange movements on the company's operations.

The rates under such contracts are used to record the hedged item. As a result, gains and losses are offset against the foreign exchange gains and losses on the related financial assets and liabilities, or where the instrument is used to hedge a committed, or probable, future transaction, are deferred until the transaction occurs.

Interest rate swaps

The company's criteria for interest rate swaps are:

- the instrument must be related to an asset or a liability; and
- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.

Interest differentials are recognised by accruing with net interest payable. Interest rate swaps are not revalued to fair value or shown on the group balance sheet at the year end. If they are terminated early, the gain or loss is spread over the remaining maturity of the original instrument.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

1. ACCOUNTING POLICIES *(continued)*

Lessor / lessee accounting

Rentals received under operating leases are accounted for on a straight-line basis as turnover with any rental increases recognised during the period to which they relate.

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	Year to 31 May 15 £	Period from 4 Nov 13 to 31 May 14 £
United Kingdom	<u>70,001</u>	<u>35,564</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year to 31 May 15 £	Period from 4 Nov 13 to 31 May 14 £
Directors' remuneration	—	—
Amortisation of intangible assets	—	(3,278)
Depreciation of owned fixed assets	—	3,278
Auditor's remuneration - audit of the financial statements	819	819
Auditor's remuneration - other fees	819	818
Reversal of depreciation on revaluation	<u>—</u>	<u>(3,278)</u>
	2015	2014
	£	£
Auditor's remuneration - audit of the financial statements	<u>819</u>	<u>819</u>
Auditor's remuneration - other fees:		
- Preparation of statutory accounts	<u>819</u>	<u>818</u>

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

4. PARTICULARS OF EMPLOYEES

The monthly average of directors employed during the period was 4 (2014 - 4). No amounts were paid by the group to the directors.

The group had no other employees during either the current or previous periods.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 May 15 £	Period from 4 Nov 13 to 31 May 14 £
Interest payable on bank borrowing	<u>37,579</u>	<u>—</u>

6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	Year to 31 May 15 £	Period from 4 Nov 13 to 31 May 14 £
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Provision deferred tax; decelerated capital allowances	<u>7,935</u>	<u>(20,985)</u>

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20.83% (2014 - 22.42%).

	Year to 31 May 15 £	Period from 4 Nov 13 to 31 May 14 £
Profit on ordinary activities before taxation	29,785	37,205
Profit on ordinary activities by rate of tax	6,210	8,340
Expenses not deductible for tax purposes	(6)	(235)
Capital allowances for period in excess of depreciation	(5,520)	735
Utilisation of tax losses	-	(4,897)
Transfer price adjustment	(22,621)	32
Reversal of depreciation on revaluation	-	(735)
Group relief claimed at nil value	21,937	(3,240)
Total current tax	-	-

7. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(38,686) (2014 - £(887)).

8. INTANGIBLE ASSETS

Group	Goodwill £
COST	
At 1 June 2014 and 31 May 2015	(307,297)
AMORTISATION	
At 1 June 2014 and 31 May 2015	(3,278)
NET BOOK VALUE	
At 31 May 2015	(304,019)
At 31 May 2014	(304,019)

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

9. TANGIBLE ASSETS

Group	Freehold Property & Equipment £	Plant & Machinery £	Total £
COST OR VALUATION			
At 1 June 2014	2,300,000	–	2,300,000
Additions	1,243	15,149	16,392
Revaluation	200,000	–	200,000
At 31 May 2015	<u>2,501,243</u>	<u>15,149</u>	<u>2,516,392</u>
DEPRECIATION			
At 1 June 2014 and 31 May 2015	–	–	–
NET BOOK VALUE			
At 31 May 2015	<u>2,501,243</u>	<u>15,149</u>	<u>2,516,392</u>
At 31 May 2014	<u>2,300,000</u>	<u>–</u>	<u>2,300,000</u>

The Group's property and associated tangible fixed assets are leased to Topland Hotels (No 14) Limited, a group company, until 28 November 2038.

The freehold property was valued by an independent firm, Knight Frank on 31 March 2015. The property has been valued on an open market basis as a fully-equipped operational entity having regard to its trading potential. The directors are satisfied there would be no material change in value at 31 May 2015.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2015 £	2014 £
Net book value at end of year	<u>2,501,243</u>	<u>2,300,000</u>
Historical cost:		
At 1 June 2014	2,110,867	–
Cost of additions to revalued assets brought forward	1,243	2,110,867
At 31 May 2015	<u>2,112,110</u>	<u>2,110,867</u>
Depreciation:		
At 1 June 2014	3,278	–
Charge for year	6,928	3,278
At 31 May 2015	<u>10,206</u>	<u>3,278</u>
Net historical cost value:		
At 31 May 2015	<u>2,101,904</u>	<u>2,107,589</u>
At 1 June 2014	<u>2,107,589</u>	<u>–</u>

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

10. INVESTMENTS

Company	Group companies £
COST	
At 1 June 2014 and 31 May 2015	<u>1</u>
LOANS	
At 1 June 2014 and 31 May 2015	<u>1,769,274</u>
NET BOOK VALUE	
At 31 May 2015 and 31 May 2014	<u>1,769,275</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
Hallmark Hotels (Flitwick) Limited	England and Wales	Ordinary shares	100%	Property Holding Company

11. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts owed by group undertakings	–	5,693	–	–
Deferred taxation (Note 12)	13,050	20,985	–	–
Called up share capital not paid	1,000	1,000	1,000	1,000
	<u>14,050</u>	<u>27,678</u>	<u>1,000</u>	<u>1,000</u>

12. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was:

	Group		Company	
	Year to 31 May 15	Period from 4 Nov 13 to 31 May 14	Year to 31 May 15	Period from 4 Nov 13 to 31 May 14
	£	£	£	£
Asset brought forward	20,985	–	–	–
(Decrease)/Increase in asset	(7,935)	20,985	–	–
Asset carried forward	<u>13,050</u>	<u>20,985</u>	<u>–</u>	<u>–</u>

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

12. DEFERRED TAXATION *(continued)*

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2015		2014	
	Provided £	Unprovided £	Provided £	Unprovided £
Provision deferred tax; decelerated capital allowances	<u>13,050</u>	<u>-</u>	<u>20,985</u>	<u>-</u>

A deferred tax asset of £13,050 has been recognised at 31 May 2015 (2014 - £20,985) in respect of decelerated capital allowances. This asset has been recognised on the basis that capital allowances will be claimed in future accounting periods and the asset will therefore reverse as the capital allowances are claimed.

A deferred tax asset has not been recognised in respect of losses given the uncertainty regarding their recoverability. The estimated value of the deferred tax asset not recognised, measured at a standard rate of 20% is £31,738 (period ended 31 May 2014 - £39,187).

The company's freehold property has been revalued in accordance with FRS 15. It is the company's intention to retain the property for the foreseeable future. No deferred tax has been provided on the gains arising from the revaluation as such tax would only become payable if the property were sold without rollover relief being obtained. The tax which would be payable in such circumstances is estimated to be £235,499.

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts owed to group undertakings	408,100	1,769,275	465,871	1,769,275
Accruals and deferred income	<u>15,132</u>	<u>6,061</u>	<u>9,959</u>	<u>887</u>
	<u>423,232</u>	<u>1,775,336</u>	<u>475,830</u>	<u>1,770,162</u>

14. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Bank loans	<u>1,333,018</u>	<u>-</u>	<u>1,333,018</u>	<u>-</u>

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

15. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts repayable:				
In more than two years but not more than five years	150,000	—	150,000	—
In more than five years	1,200,000	—	1,200,000	—
	<u>1,350,000</u>	<u>—</u>	<u>1,350,000</u>	<u>—</u>
Unamortised loan issue expenses	16,982	—	16,982	—
	<u>1,333,018</u>	<u>—</u>	<u>1,333,018</u>	<u>—</u>

The issue costs of the capital instrument, together with the interest expense, are allocated to the profit and loss account over the term of the facilities at a constant rate on the carrying amount.

Bank loans

A bank loan facility of £67,500,000 was granted to companies 1 to 12 of the Topland Hotels Group on 23 October 2014. This loan has been apportioned between the 12 companies and is secured by fixed charges over the properties within the respective subsidiary companies. All loans bear interest at variable rate based on LIBOR and the charge in the current period resulted in an average interest charge of 4.41%.

Interest rate hedging

In respect of the group loan the following interest rate protection instruments are in place:

Interest rate swap

Principal amount secured	£33,750,000
Swap rate	2.073%
Maturity date	25 October 2021
Principal amount secured	£33,750,000
Swap rate	1.911%
Maturity date	25 October 2021

16. CONTINGENCIES

The Company is a party to cross guarantees in respect of a Group loan facility. The net indebtedness of the Group to the bank at 31 May 2015 and therefore the contingent liability of the Company amounted to £67,500,000. The directors do not expect any liability to arise from this.

17. RELATED PARTY TRANSACTIONS

In accordance with FRS 8, transactions with wholly owned entities within the group are not disclosed.

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

18. SHARE CAPITAL

Allotted and called up:

	2015		2014	
	No	£	No	£
shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2015	2014
	£	£
shares	<u>1,000</u>	<u>1,000</u>

19. RESERVES

Group	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	189,133	58,190
Profit for the year	—	21,850
Other gains and losses		
- Revaluation of fixed assets	200,000	—
Balance carried forward	<u>389,133</u>	<u>80,040</u>
Company		Profit and loss account
		£
Balance brought forward		(887)
Loss for the year		(38,686)
Balance carried forward		<u>(39,573)</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit for the financial year	21,850	58,190
Other net recognised gains and losses	200,000	189,133
New ordinary share capital subscribed	—	1,000
Net addition to shareholders' funds	<u>221,850</u>	<u>248,323</u>
Opening shareholders' funds	248,323	—
Closing shareholders' funds	<u>470,173</u>	<u>248,323</u>

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

21. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Year to 31 May 15 £	Period from 4 Nov 13 to 31 May 14 £
Operating profit	67,364	37,205
Amortisation	—	(3,278)
Depreciation	—	3,278
Decrease/(increase) in debtors	5,693	(39,987)
(Decrease)/increase in creditors	(73,057)	6,060
Reversal of depreciation on revaluation	—	(3,278)
Net cash outflow from operating activities	<u>—</u>	<u>—</u>

FINANCING

	Year to 31 May 15 £	Period from 4 Nov 13 to 31 May 14 £
Increase in bank loans	1,333,473	—
Repayment of group financing	(1,333,473)	—
Net cash inflow from financing	<u>—</u>	<u>—</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015 £	2014 £
Increase in cash in the period	—	—
Net cash (inflow) from bank loans	(1,333,473)	—
Change in net debt resulting from cash flows	(1,333,473)	—
Other differences	455	—
Movement in net debt in the period	<u>(1,333,018)</u>	<u>—</u>
Net funds at 1 June 2014	—	—
Net debt at 31 May 2015	<u>(1,333,018)</u>	<u>—</u>

TOPLAND HOTELS (NO. 9) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2015

21. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jun 2014 £	Cash flows £	Other changes £	At 31 May 2015 £
Debt:				
Debt due after 1 year	—	(1,333,473)	455	(1,333,018)
Net debt	—	(1,333,473)	455	(1,333,018)

22. ULTIMATE PARENT COMPANY

In the opinion of the directors, the company's ultimate parent company and controlling party is Topland Group Holdings International Limited, a company registered in the British Virgin Islands.

The immediate parent undertaking is Browngrove Properties Limited, a company registered in Gibraltar.

The largest and smallest group in which the results of this company are consolidated is that headed by Topland Group Holdings Limited, a company registered in the British Virgin Islands.