

REGISTERED NUMBER: 09174105 (England and Wales)

PRAHI HOTEL COLLECTION LIMITED
PREVIOUSLY KNOWN AS HOTEL COLLECTION HOTEL NO. 7 LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

THURSDAY



A6FXTZAH

A10

28/09/2017

#166

COMPANIES HOUSE

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Page
Company Information	1
Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	5
Income Statement	7
Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

PRAHI HOTEL COLLECTION LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTOR:	A Ahmed
REGISTERED OFFICE:	75/129 Carlisle Street Sheffield South Yorkshire S4 7LJ
REGISTERED NUMBER:	09174105 (England and Wales)
AUDITORS:	Smith Craven Chartered Accountants Statutory Auditors Sidings House Sidings Court Lakeside Doncaster South Yorkshire DN4 5NU

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The director presents his strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The main activity of the Prahi Hotel Collection ("the Company") is the operation of its main asset, The Shrigley Hall Hotel in the United Kingdom, as part of the Hotel Collection brand.

The strategy of the Company is to operate the hotel profitably whilst maintaining good customer satisfaction ratings and hiring and managing employees effectively.

Key Financial Performance Indicators

	Year Ended 31/12/16 £000	Period 13/08/14 - 31/12/15 £000
Turnover	5,834	7,336
Gross Profit	4,989	6,230
Gross Profit percentage	85.5%	84.9%
Net Profit before Tax	(280)	(3,964)
Net assets	(4,653)	(3,972)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is directly exposed to the risks associated with the hotel industry such as any downturn in the general operating conditions in the UK provincial hotel industry and new hotel openings close to its existing location.

The Company is also exposed to risks regarding property valuations in periods of market instability. This instability means that professional valuers and the Director are not able to value properties with the same degree of certainty as would be the case in a more stable market with a good level of transactional evidence to support valuations.

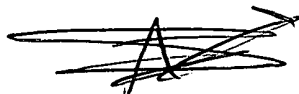
The Company's exposure to credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of any allowances for doubtful debts. The Company seeks to mitigate credit risk through credit checking and, where customers pay on departure, Company policy is to obtain a pre-authorised credit card for payment. In certain circumstances customers pay all or part of their stay in advance.

The Company's exposure to liquidity and cash flow risk is mitigated by the trade debtors procedures described above and by negotiating commercial payment terms with suppliers. The Company aims to mitigate liquidity risk by managing cash generation and uses through its operations.

FUTURE DEVELOPMENTS

The Company was sold on 24 July 2017 to Prahi (2017) Limited. As part of the sale agreement, £5,665,511 of the inter-company loan was written off, returning the Company to a positive net assets position. The director is confident for the future as the budgets for the forthcoming year look optimistic and the Company has a new management team in place who are looking to build on the results of previous years.

ON BEHALF OF THE BOARD:



A Ahmed - Director

26 September 2017

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2016**

The director presents his report with the financial statements of the company for the year ended 31 December 2016.

CHANGE OF NAME

The company passed a special resolution on 23 July 2017 changing its name from Hotel Collection Hotel No. 7, Limited to Prahi Hotel Collection Limited.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

G D Hearn held office from 1 January 2016 until after 31 December 2016 but prior to the date of this report.

A Ahmed was appointed as a director after 31 December 2016 but prior to the date of this report.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS101 Reduced Disclosure Framework as listed in note 2 to these financial statements. The parent company's parent company has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he 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.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2016**

AUDITORS

The auditors, Smith Craven, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line and a loop.

A Ahmed - Director

26 September 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRAHI HOTEL COLLECTION LIMITED

We have audited the financial statements of Prahi Hotel Collection Limited for the year ended 31 December 2016 on pages seven to sixteen. 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 101 'Reduced Disclosure Framework'.

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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director; 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 Report of the Director 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 December 2016 and of its loss 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Director.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PRAHI HOTEL COLLECTION LIMITED**

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Cribb FCA (Senior Statutory Auditor)
for and on behalf of Smith Craven
Chartered Accountants
Statutory Auditors
Sidings House
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

26 September 2017

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

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

		Year Ended 31/12/16 £'000	Period 13/8/14 to 31/12/15 £'000
	Notes		
TURNOVER	3	5,834	7,336
Cost of sales		<u>845</u>	<u>1,106</u>
GROSS PROFIT		4,989	6,230
Administrative expenses		<u>5,053</u>	<u>9,913</u>
OPERATING LOSS		(64)	(3,683)
Interest payable and similar expenses	5	<u>216</u>	<u>281</u>
LOSS BEFORE TAXATION	6	(280)	(3,964)
Tax on loss	7	<u>401</u>	<u>8</u>
LOSS FOR THE FINANCIAL YEAR		<u>(681)</u>	<u>(3,972)</u>

The notes form part of these financial statements

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

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

	Notes	Year Ended 31/12/16 £'000	Period 13/8/14 to 31/12/15 £'000
LOSS FOR THE YEAR		(681)	(3,972)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(681)</u>	<u>(3,972)</u>

The notes form part of these financial statements

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

**BALANCE SHEET
31 DECEMBER 2016**

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		<u>9,500</u>		<u>9,195</u>
			<u>9,500</u>		<u>9,195</u>
CURRENT ASSETS					
Stocks	10	58		50	
Debtors	11	328		563	
Cash at bank		<u>503</u>		<u>71</u>	
		<u>889</u>		<u>684</u>	
CREDITORS					
Amounts falling due within one year	12	<u>15,042</u>		<u>13,851</u>	
NET CURRENT LIABILITIES			<u>(14,153)</u>		<u>(13,167)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(4,653)</u>		<u>(3,972)</u>
CAPITAL AND RESERVES					
Called up share capital			-		-
Retained earnings	14		<u>(4,653)</u>		<u>(3,972)</u>
			<u>(4,653)</u>		<u>(3,972)</u>

The financial statements were approved by the director on 26 September 2017 and were signed by:



A Ahmed - Director

The notes form part of these financial statements

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

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

	Retained earnings £'000	Total equity £'000
Changes in equity		
Total comprehensive income	(3,972)	(3,972)
Balance at 31 December 2015	(3,972)	(3,972)
Changes in equity		
Total comprehensive income	(681)	(681)
Balance at 31 December 2016	(4,653)	(4,653)

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATUTORY INFORMATION

Prahi Hotel Collection Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis as in the opinion of the director this is the most appropriate basis for their preparation. The Company was sold on 24 July 2017 and as part of the sale agreement, £5,665,511 of the inter-company loan was written off, returning the Company to a positive net assets position. The director is confident for the future as the budgets for the forthcoming year look optimistic and the Company has a new management team in place who are looking to build on the results of previous years.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Turnover

Revenue represents sales (excluding VAT and similar taxes) of goods and services net of trade discounts provided in the normal course of business.

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 5% on cost

Stocks

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

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Pension

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit or loss in the period to which they relate.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

4. EMPLOYEES AND DIRECTORS

	Year Ended 31/12/16 £'000	Period 13/8/14 to 31/12/15 £'000
Wages and salaries	<u>2,384</u>	<u>2,654</u>

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

Year Ended 31/12/16	Period 13/8/14 to 31/12/15
<u>196</u>	<u>161</u>

The Executive Director is remunerated by another Group Company.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31/12/16 £'000	Period 13/8/14 to 31/12/15 £'000
Loan interest	<u>216</u>	<u>281</u>

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

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

6. LOSS BEFORE TAXATION

The loss before taxation is stated after charging/(crediting):

	Year Ended	Period
	31/12/16	13/8/14
	£'000	to
		31/12/15
		£'000
Cost of inventories recognised as expense	845	1,106
Hire of plant and machinery	39	35
Depreciation - owned assets	174	190
Profit on disposal of fixed assets	(14)	-
Auditors' remuneration	10	7
	<u> </u>	<u> </u>

7. TAXATION

Analysis of tax expense

	Year Ended	Period
	31/12/16	13/8/14
	£'000	to
		31/12/15
		£'000
Deferred tax	401	8
	<u> </u>	<u> </u>
Total tax expense in income statement	401	8
	<u> </u>	<u> </u>

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£'000
COST	
At 1 January 2016	
and 31 December 2016	933
	<u> </u>
AMORTISATION	
At 1 January 2016	
and 31 December 2016	933
	<u> </u>
NET BOOK VALUE	
At 31 December 2016	-
	<u> </u>
At 31 December 2015	-
	<u> </u>

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

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

9. TANGIBLE FIXED ASSETS

	Freehold property £'000	Plant and machinery £'000	Totals £'000
COST			
At 1 January 2016	11,609	660	12,269
Additions	207	279	486
At 31 December 2016	11,816	939	12,755
DEPRECIATION			
At 1 January 2016	2,900	174	3,074
Charge for year	20	154	174
Impairments	7	-	7
At 31 December 2016	2,927	328	3,255
NET BOOK VALUE			
At 31 December 2016	8,889	611	9,500
At 31 December 2015	8,709	486	9,195

A full independent valuation of the property was carried out by Cushman & Wakefield on 17 March 2017. This valuation indicated a market value of £9,700,000 for the property as a fully equipped operational entity.

The property and fixtures are included in the accounts at a valuation of £9,500,000 which was the price agreed in the sale of the Company on 24 July 2017.

10. STOCKS

	2016 £'000	2015 £'000
Stocks	58	50

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade debtors	279	106
Deferred tax asset	-	402
Prepayments and accrued income	49	55
	328	563

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Trade creditors	35	128
Amounts owed to group undertakings	12,281	12,294
Amounts owed to associates	2,173	771
VAT	121	74
Other creditors	28	41
Accruals and deferred income	404	543
	<u>15,042</u>	<u>13,851</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£'000	£'000
Within one year	35	13
Between one and five years	41	38
	<u>76</u>	<u>51</u>

14. RESERVES

	Retained earnings £'000
At 1 January 2016	(3,972)
Deficit for the year	(681)
At 31 December 2016	<u>(4,653)</u>

15. ULTIMATE PARENT COMPANY

During the year, the ultimate parent company was deemed to be LSREF III Wight Hotel Investments Limited.

The Company is incorporated in the UK and during the year was a wholly owned subsidiary of LSREF III Wight Hotel Investments Limited, a company incorporated in the Republic of Ireland. That Parent company of the smallest group of undertakings of which the Company was a member and in whose Group Financial Statements it is included is Amaris Hospitality DAC, a company incorporated in the Republic of Ireland. The ultimate beneficial owners of Amaris Hospitality DAC are Lonestar Real Estate Fund III (U.S.) L P and Lonestar Real Estate Fund III (Bermuda) L P. Amaris Hospitality DAC has financial statements publicly available at 146 Pembroke Road, Ballsbridge, Dublin 4, Republic of Ireland.

16. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption conferred by FRS 101:8 Related party disclosures not to disclose transactions between itself and its fellow subsidiary company's on the basis that the Company was a wholly owned subsidiary of Amaris Hospitality DAC, as explained in note 15.

The loan of £12,280,965 is from the Company's parent Company LSREF III Wight Hotel investments Limited ("LSREF III"), and is repayable upon demand, secured on the company's sole asset The Shrigley Hall Hotel and bears interest at LIBOR plus 1.1%.

PRAHI HOTEL COLLECTION LIMITED (REGISTERED NUMBER: 09174105)

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

17. EVENTS AFTER THE REPORTING PERIOD

The Company was sold on 24th July 2017 to Prahi (2017) Limited. As part of the sale agreement, £5,665,511 of the inter-company loan was written off.