

Company Registration No. 05400112 (England and Wales)

CITY AND COUNTRY HOTELS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2015

CITY AND COUNTRY HOTELS LIMITED

COMPANY INFORMATION

Directors	K.M. Affara T. Affara
Company number	05400112
Registered office	Management Office Campbell Court Gloucester Road London SW7 4PD
Auditors	Higgisons Higgison House 381-383 City Road London EC1V 1NW

CITY AND COUNTRY HOTELS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 13

CITY AND COUNTRY HOTELS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities and review of the business

2014/15 saw the group increase accommodation revenues by over Seven Hundred and Seventy Thousand Pounds, with our newest property, the five star Wellesley Hotel in Knightsbridge showing a very respectable increase in room yield of £50.60 year on year.

Growth seen in 2014/15 is forecast going forward, as this luxury hotel becomes more established in the international market, and continues to see increasing revenue streams from Russia, the Americas, China and Europe, compliment an already strong Middle Eastern Market.

Our provincial hotel, situated in the Cotswolds, again sees growth in the Leisure Market, and increased its yield by £2.45 year on year, resulting in an increase in Rooms Revenue of £53.7k.

Similarly, The Royal Hotel in Cardiff, operating in a market saturated with hotels, saw an excellent increase in rooms revenue of 11.4% , or £121k, year on year.

2015/16 sees this trend continue, with sustained growth in revenues in all of our hotels.

Early in 2014, we took the decision to centralise our Revenue and Reservations teams into one Central Department, combining skill sets and knowledge, and also increasing opening hours. This Central Reservations Department has now been providing support for the hotels for the past two years. The results of which can clearly be demonstrated by the 10% growth in Accommodation revenues on prior year.

It is very important to the company that the hotels are maintained to the highest possible standards, and as part of our ongoing investment back into the company, we have almost completed a bedroom refurbishment of our property in Marylebone, the 44 bedroom 4 Star 10 Manchester Street Hotel. This boutique hotel is performing extremely well, and current forecasts show an increase of £190k in year on year revenues for 2015/16.

The group also continues to invest in IT, both hardware and software, ensuring that booking and yield management systems are robust and offer the latest innovations available, giving us a competitive edge wherever possible.

With a strong trading outlook, City and County Hotels is expanding portfolio of Hotels, with work already started on its latest Hotel, a Luxury 5 Star deluxe property in Langley Park, close to Heathrow and Pinewood Studio's.

Results and dividends

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

The directors do not propose to pay a dividend for the year.

Directors

The following directors have held office since 1 April 2014:

K.M. Affara
T. Affara

Auditors

Higgisonwere appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

CITY AND COUNTRY HOTELS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

K.M. Affara

Director

22 December 2015

CITY AND COUNTRY HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CITY AND COUNTRY HOTELS LIMITED

We have audited the financial statements of City and Country Hotels Limited for the year ended 31 March 2015 set out on pages 5 to 13. 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 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 Directors' Responsibilities Statement set out on pages 1 - 2, 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 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 company's affairs as at 31 March 2015 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 the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CITY AND COUNTRY HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CITY AND COUNTRY HOTELS 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mr Ian Shillinglaw (Senior Statutory Auditor)
for and on behalf of Higgisons

22 December 2015

Chartered Accountants
Statutory Auditor

Chartered Accountants
Higgison House
381-383 City Road
London
EC1V 1NW

CITY AND COUNTRY HOTELS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover	2	13,348,020	12,620,731
Cost of sales		(8,588,457)	(8,263,684)
Gross profit		4,759,563	4,357,047
Administrative expenses		(4,833,830)	(4,406,838)
Loss on ordinary activities before taxation	3	(74,267)	(49,791)
Tax on loss on ordinary activities	4	-	-
Loss for the year	11	(74,267)	(49,791)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CITY AND COUNTRY HOTELS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	5		224,872		242,836
Current assets					
Stocks	6	1,086,843		992,446	
Debtors	7	1,659,926		1,424,448	
Cash at bank and in hand		171,318		235,310	
		<u>2,918,087</u>		<u>2,652,204</u>	
Creditors: amounts falling due within one year	8	<u>(3,653,336)</u>		<u>(3,331,150)</u>	
Net current liabilities			<u>(735,249)</u>		<u>(678,946)</u>
Total assets less current liabilities			<u>(510,377)</u>		<u>(436,110)</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		<u>(510,379)</u>		<u>(436,112)</u>
Shareholders' funds	12		<u>(510,377)</u>		<u>(436,110)</u>

Approved by the Board and authorised for issue on 22 December 2015

K.M. Affara
Director

Company Registration No. 05400112

CITY AND COUNTRY HOTELS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	£	2015 £	£	2014 £
Net cash inflow from operating activities	16		123,202		3,513
Capital expenditure					
Payments to acquire tangible assets		(79,980)		(107,927)	
Net cash outflow for capital expenditure			(79,980)		(107,927)
Net cash inflow/(outflow) before management of liquid resources and financing			43,222		(104,414)
Increase/(decrease) in cash in the year			43,222		(104,414)

CITY AND COUNTRY HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

At the balance sheet date the company's current liabilities exceeded its current assets by £510,377. However the Directors believe that the company's trading results will improve and in the meantime it will continue to receive the support of its creditors. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of this support.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33.3% straight line
Fixtures, fittings & equipment	20% reducing balance

1.5 Leasing

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

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

CITY AND COUNTRY HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

3	Operating loss	2015	2014
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	102,761	96,514
	Operating lease rentals		
	- Plant and machinery	36,000	36,000
	- Other assets	2,061,370	1,561,895
	Auditors' remuneration (including expenses and benefits in kind)	8,000	8,000
		<u> </u>	<u> </u>
4	Taxation	2015	2014
		£	£
	Total current tax	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(74,267)	(49,791)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	(14,853)	(9,958)
		<u> </u>	<u> </u>
	Effects of:		
	Other tax adjustments	14,853	9,958
		<u> </u>	<u> </u>
		14,853	9,958
		<u> </u>	<u> </u>
	Current tax charge for the year	-	-
		<u> </u>	<u> </u>

The company has no liability to Corporation Tax.

CITY AND COUNTRY HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

5 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2014	160,979	353,729	514,708
Additions	5,678	74,302	79,980
At 31 March 2015	166,657	428,031	594,688
Depreciation			
At 1 April 2014	108,744	163,127	271,871
On disposals	-	(4,816)	(4,816)
Charge for the year	48,817	53,944	102,761
At 31 March 2015	157,561	212,255	369,816
Net book value			
At 31 March 2015	9,096	215,776	224,872
At 31 March 2014	52,234	190,602	242,836

6 Stocks

	2015 £	2014 £
Raw materials and consumables	1,086,843	992,446

7 Debtors

	2015 £	2014 £
Trade debtors	431,315	520,209
Other debtors	7,351	2,691
Prepayments and accrued income	1,221,260	901,548
	1,659,926	1,424,448

CITY AND COUNTRY HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

8	Creditors: amounts falling due within one year	2015	2014
		£	£
	Bank loans and overdrafts	154,042	256,439
	Trade creditors	2,968,562	2,377,597
	Taxes and social security costs	363,491	449,541
	Other creditors	9,774	2,566
	Accruals and deferred income	157,467	245,007
		<u>3,653,336</u>	<u>3,331,150</u>
		<u><u>3,653,336</u></u>	<u><u>3,331,150</u></u>
9	Retirement Benefits	2015	2014
		£	£
	Contributions payable by the company for the year	23,974	-
		<u>23,974</u>	<u>-</u>
		<u><u>23,974</u></u>	<u><u>-</u></u>
10	Share capital	2015	2014
		£	£
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	2	2
		<u>2</u>	<u>2</u>
		<u><u>2</u></u>	<u><u>2</u></u>
11	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 April 2014		(436,112)
	Loss for the year		(74,267)
			<u>(510,379)</u>
	Balance at 31 March 2015		<u><u>(510,379)</u></u>
12	Reconciliation of movements in Shareholders' funds	2015	2014
		£	£
	Loss for the financial year	(74,267)	(49,791)
	Opening Shareholders' funds	(436,110)	(386,319)
		<u>(510,377)</u>	<u>(436,110)</u>
	Closing Shareholders' funds	<u><u>(510,377)</u></u>	<u><u>(436,110)</u></u>

CITY AND COUNTRY HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

13 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
Within one year	2,244,000	1,978,000
	<u> </u>	<u> </u>

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2015	2014
Number	Number
226	219
<u> </u>	<u> </u>

Employment costs

	2015	2014
	£	£
Wages and salaries	4,069,110	3,825,666
Social security costs	398,572	389,211
Other pension costs	23,974	-
	<u> </u>	<u> </u>
	4,491,656	4,214,877
	<u> </u>	<u> </u>

15 Control

The company is controlled by the Directors, K M Affara and T Affara.

CITY AND COUNTRY HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

16	Reconciliation of operating loss to net cash inflow from operating activities	2015	2014
		£	£
	Operating loss	(74,267)	(49,791)
	Depreciation of tangible assets	102,761	96,514
	Increase in stocks	(94,397)	(111,792)
	Increase in debtors	(235,478)	(141,712)
	Increase in creditors within one year	424,583	210,294
	Net cash inflow from operating activities	123,202	3,513

17	Analysis of net funds/(debt)	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	235,310	(63,992)	-	171,318
	Bank overdrafts	(256,439)	102,397	-	(154,042)
		(21,129)	38,405	-	17,276
	Net (debt)/funds	(21,129)	38,405	-	17,276

18	Reconciliation of net cash flow to movement in net funds/(debt)	2015	2014
		£	£
	Increase/(decrease) in cash in the year	38,405	(104,414)
	Movement in net funds/(debt) in the year	38,405	(104,414)
	Opening net (debt)/funds	(21,129)	83,285
	Closing net funds/(debt)	17,276	(21,129)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.