

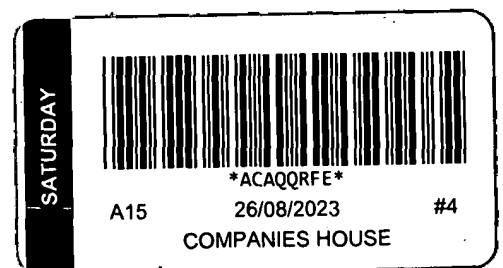
Firoka (Priory Hotel) Limited

Unaudited

Directors' report and financial statements

For the year ended 31 December 2022

Registered number: 06599318



Firoka (Priory Hotel) Limited

Company Information

Directors	F F Kassam F A Kassam A Lowry
Registered number	06599318
Registered office	1 Kings Cross Road London WC1X 9HX
Accountants	Buzzacott LLP Chartered Accountants 130 Wood Street London EC2V 6DL

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Directors' report

For the year ended 31 December 2022

The directors present their report and the financial statements of Firoka (Priory Hotel) Limited ('the company') for the year ended 31 December 2022. The comparatives in these financial statements relate to the 15-month period ended 31 December 2021.

Principal activity

The principal activity of the company is the owning and operating of the Hampton By Hilton hotel in Oxford.

Results and dividends

The profit for the year, after taxation, amounted to £254,688 (2021 - £27,636).

The directors do not recommend the payment of a dividend (2021 - £NIL).

Directors

The directors who served during the year were:

F F Kassam

F A Kassam

A Lowry

Business review

The company achieved a turnover of £2.7m in the year (2021 - £2.2m). The net profit of the company was £0.25m (2021 - £0.03m).

The company intends to continue the hotel operations for the foreseeable future.

Going concern

The company meets its day-to-day working capital requirements mostly through use of operating cash flows and, if required, through accumulated cash reserves and support of related undertakings. As at 31 December 2022, the company reported net assets of £1.5m (2021 - £1.3m), including cash of £0.45m.

The company has met all contractual obligations, and continues to do so. In addition to its own cash reserves, the company also has the option to benefit from the cash reserves of the other companies under common ultimate control, this amounted to £26.4m collectively at the time of approving these financial statements.

Having considered current forecasts (including reasonably foreseeable scenarios) and cash reserves along with the continued support of related undertakings, the board have not identified a material uncertainty with regard to going concern and have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Directors' report (continued)

For the year ended 31 December 2022

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16/05/23 and signed on its behalf by:



A Lowry
Director

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Firoka (Priory Hotel) Limited for the year ended 31 December 2022

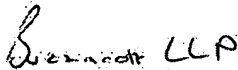
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Firoka (Priory Hotel) Limited for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of directors of Firoka (Priory Hotel) Limited, as a body, in accordance with the terms of our engagement letter dated 29 November 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Firoka (Priory Hotel) Limited and state those matters that we have agreed to state to the Board of directors of Firoka (Priory Hotel) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Firoka (Priory Hotel) Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Firoka (Priory Hotel) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Firoka (Priory Hotel) Limited. You consider that Firoka (Priory Hotel) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Firoka (Priory Hotel) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL
Date: 18 May 2023

Statement of comprehensive income

For the year ended 31 December 2022

	Year ended 31 December 2022 £	15 month period ended 31 December 2021 £
Turnover	2,696,780	2,206,006
Cost of sales	(975,531)	(747,873)
Gross profit	1,721,249	1,458,133
Administrative expenses	(1,256,579)	(1,215,152)
Other operating income	-	38,400
Operating profit	464,670	281,381
Interest receivable and similar income	1,075	-
Interest payable and similar expenses	(123,115)	(169,650)
Profit before tax	342,630	111,731
Tax on profit	(87,942)	(84,095)
Profit for the financial year	254,688	27,636

All amounts relate to continuing operations.

There was no other comprehensive income for 2022 (2021 - £NIL).

The notes on pages 7 to 12 form part of these financial statements.

Statement of financial position

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	6,221,008	6,515,242
		<u>6,221,008</u>	<u>6,515,242</u>
Current assets			
Stocks		8,372	3,546
Debtors: amounts falling due within one year	5	72,015	77,911
Cash at bank and in hand		453,643	1,081,584
		<u>534,030</u>	<u>1,163,041</u>
Creditors: amounts falling due within one year	6	(4,975,066)	(6,166,174)
Net current liabilities		<u>(4,441,036)</u>	<u>(5,003,133)</u>
Total assets less current liabilities		<u>1,779,972</u>	<u>1,512,109</u>
Provisions for liabilities			
Deferred tax	7	(245,170)	(231,995)
		<u>(245,170)</u>	<u>(231,995)</u>
Net assets		<u>1,534,802</u>	<u>1,280,114</u>
Capital and reserves			
Called up share capital		1	1
Other reserves		189,000	189,000
Profit and loss account		1,345,801	1,091,113
		<u>1,534,802</u>	<u>1,280,114</u>

Statement of financial position (continued)

As at 31 December 2022

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A Lowry
Director

Date: 16/05/23

The notes on pages 7 to 12 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2022

1. General information

Firoka (Priory Hotel) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the principal activity is set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company meets its day-to-day working capital requirements mostly through use of operating cash flows and, if required, through accumulated cash reserves and support of related undertakings. As at 31 December 2022, the company reported net assets of £1.5m (2021 - £1.3m), including cash of £0.45m.

The company has met all contractual obligations, and continues to do so. In addition to its own cash reserves, the company also has the option to benefit from the cash reserves of the other companies under common ultimate control, this amounted to £26.4m collectively at the time of approving these financial statements.

Having considered current forecasts (including reasonably foreseeable scenarios) and cash reserves along with the continued support of related undertakings, the board have not identified a material uncertainty with regard to going concern and have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2-4%
Plant and machinery	- 10% on written down value
Fixtures and fittings	- 15%
Computer equipment	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Employees

The average monthly number of employees, including directors, during the year was 29 (2021 - 15).

Notes to the financial statements

For the year ended 31 December 2022

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	6,456,788	1,439,659	984,974	26,081	8,907,502
Additions	-	-	2,245	-	2,245
At 31 December 2022	6,456,788	1,439,659	987,219	26,081	8,909,747
Depreciation					
At 1 January 2022	786,880	691,516	899,055	14,809	2,392,260
Charge for the year on owned assets	129,002	74,814	86,143	6,520	296,479
At 31 December 2022	915,882	766,330	985,198	21,329	2,688,739
Net book value					
At 31 December 2022	5,540,906	673,329	2,021	4,752	6,221,008
At 31 December 2021	5,669,908	748,143	85,919	11,272	6,515,242

5. Debtors

	2022 £	2021 £
Trade debtors	30,613	20,725
Amounts owed by related entities	4,328	2,950
Other debtors	13,597	37,890
Prepayments and accrued income	23,477	16,346
	72,015	77,911

Notes to the financial statements

For the year ended 31 December 2022

6. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	300,075	206,258
Amounts owed to related entities	3,873,914	5,374,289
Corporation tax	35,905	41,005
Other taxation and social security	118,603	156,211
Other creditors	3,922	3,285
Accruals and deferred income	642,647	385,126
	<u>4,975,066</u>	<u>6,166,174</u>

7. Deferred taxation

	2022 £	2021 £
At beginning of year	(231,995)	(187,593)
Charged to profit or loss	(13,175)	(44,402)
At end of year	<u>(245,170)</u>	<u>(231,995)</u>
	2022 £	2021 £
Unrealised chargeable gains	(245,625)	(232,311)
Tax losses carried forward	455	316
At end of year	<u>(245,170)</u>	<u>(231,995)</u>

8. Related party transactions

At 31 December 2022, the company was owed £4,328 (2021 - £2,950) by companies that are controlled by the same ultimate controlling party.

At 31 December 2022, the company owed £3,873,914 (2021 - £5,374,289) to companies that are controlled by the same ultimate controlling party.

Notes to the financial statements

For the year ended 31 December 2022

9. Controlling party

The company's immediate parent undertaking was previously Firoka (Oxford) Limited. On 25 January 2022 ownership was transferred to Firoka (Oxford Hotels) Jersey Limited as part of a group restructuring. This restructuring and change in ownership has had no impact on the reported results in these financial statements. The registered office of Firoka (Oxford Hotels) Jersey Limited is Charter Place, 23-27 Seaton Place, St Helier, Jersey, JE1 1JY.

The company's ultimate controlling party is Mr F A Kassam.