

REGISTERED NUMBER: 07385695 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016**  
**FOR**  
**BM MANCHESTER LIMITED**



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**FOR THE YEAR ENDED 30 APRIL 2016**

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**BM MANCHESTER LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**DIRECTORS:**

L. Louca  
C. Christou

**REGISTERED OFFICE:**

6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

**REGISTERED NUMBER:**

07385695 (England and Wales)

**AUDITORS:**

Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

**BM MANCHESTER LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2016**

The directors present their strategic report of the company and the group for the year ended 30 April 2016.

**REVIEW OF BUSINESS**

The principal activity of the company is that of a holding company. The subsidiary company's principal activity is the operation of a hotel.

The directors are pleased with the performance of the subsidiary company during the year under review. During the year the hotel experienced an increase in turnover from £18.7 million (2015) to £20.4 million this year, this was mainly due to the increase in average room rate as a result of good asset management. In addition, revenue from food and beverages also increased due to an increase in occupancy.

The results of the company for the year, as set out on page 6, show a profit on ordinary activities before tax of £3.2 million (2015 - £2.5 million). This is mainly attributable to the increase in turnover of 9% and effective control over the subsidiary company's operating expenses resulting in a net profit margin of 16%.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Some risks are excluded because the management considers them not to be material to the company. Additionally there may be risks and uncertainties not presently known to the management team.

**MARKET AND HOTEL INDUSTRY RISKS**

The subsidiary's operations and results are subject to a number of factors which could affect the business, many of which are common to the hotel industry and beyond the subsidiary's control such as a potential global economic downturn; changes in travel patterns; and the potential increase in acts of terrorism. The impact of any of these factors (or a combination of them) may adversely affect sustained levels of occupancy, room rates and/or hotel values, however the group tries to minimise the potential impact of these risks through its experienced hotel management team.

Although management seeks to identify risks at the earliest opportunity, many of these risks are beyond the control of the subsidiary. The subsidiary company has in place recovery plans to enable it to respond to major incidents or crises and takes steps to minimise these exposures to the greatest extent possible.

**BORROWINGS**

The subsidiary's bank borrowings are currently with one major lender and the financing arrangements contain security over the assets of the company.

To mitigate against risks the management team meets regularly to review the financial performance of the hotel together with the subsidiary's financial commitments.

During the year, the subsidiary company refinanced its loans for a period of 5 years.

**FIXED OPERATING EXPENSES**

The subsidiary's operating expenses such as personnel costs, operating leases, information technology and telecommunications are to a large extent fixed. As such, operating results may be vulnerable to short-term changes in revenues.

The subsidiary has appropriate management systems in place such as staff outsourcing designed to create flexibility in operating cost base so as to optimise operating profits in volatile trading conditions.

**BM MANCHESTER LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**KEY SENIOR PERSONNEL AND MANAGEMENT**

The success of the subsidiary's business is partially attributable to the efforts and abilities of its senior managers.

The subsidiary has appropriate systems in place for recruitment, reward and compensation and performance management. Development and maintenance of the subsidiary's culture also plays a leading role in minimising risk.

The key senior management in the hotel is provided by the hotel operator and therefore there is a pool of staff available should key personnel leave.

In addition, the group's internal asset management team possess the skill set to cover any of its investment strategies.

**ON BEHALF OF THE BOARD:**

  
.....

C. Christou - Director

Date: 25/01/2017

**BM MANCHESTER LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 APRIL 2016**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2016.

**DIVIDENDS**

Interim dividends per share were paid as follows:

Ordinary £1 shares	£316,933.33	- 30 April 2016
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The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 30 April 2016 will be £1,901,600.

**FUTURE DEVELOPMENTS**

It is anticipated that the group will maintain its turnover and balance sheet position for the foreseeable future.

**DIRECTORS**

L. Louca has held office during the whole of the period from 1 May 2015 to the date of this report.

Other changes in directors holding office are as follows:

C. Christou - appointed 28 October 2015

**FINANCIAL INSTRUMENTS**

Information on financial instruments and other risks is set out below:

Treasury activities take place under procedures and policies monitored by the directors. They are designed to minimise the financial risks faced by the company which primarily arise from interest rate, currency, credit and liquidity risks. It is not the policy of the group to enter into speculative transactions.

**FINANCIAL INSTRUMENTS - RISK MANAGEMENT**

The most significant treasury exposures faced by the group are managing interest rate and currency positions. Treasury policies are in a place for managing each of these exposures including the type and use of financial instruments.

The group has no financial instruments to hedge foreign exchange exposure.

The group does not enter into derivative transactions.

The fair values of the receivables, payables and cash balances in the accounts approximate their book value.

The main financial risks faced by the company are funding risk and credit risk. As with any business there remains uncertainty and risk about the ability of the group to achieve its business objectives within its current funding. The director continually reviews the funding status of the group and its exposure to liquidity risk.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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;
- state whether applicable 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 company will continue in business.

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

**BM MANCHESTER LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
C. Christou - Director

Date: .....

25/01/2017

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BM MANCHESTER LIMITED**

We have audited the financial statements of BM Manchester Limited for the year ended 30 April 2016 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, 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 Group Strategic Report and the Report of the Directors 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 of the parent company's affairs as at 30 April 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept 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.



Giles Cohen (Senior Statutory Auditor)  
for and on behalf of Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

Date: 25/11/17

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**BM MANCHESTER LIMITED****CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 2016**

	Notes	30.4.16 £	30.4.15 £
<b>TURNOVER</b>		20,423,971	18,767,796
Cost of sales		2,013,140	1,946,785
<b>GROSS PROFIT</b>		18,410,831	16,821,011
Administrative expenses		13,695,287	12,867,131
		4,715,544	3,953,880
Other operating income		10,155	-
<b>OPERATING PROFIT</b>	4	4,725,699	3,953,880
Interest payable and similar expenses	5	1,464,750	1,448,159
<b>PROFIT BEFORE TAXATION</b>		3,260,949	2,505,721
Tax on profit	6	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3,260,949	2,505,721
Profit attributable to: Owners of the parent		3,260,949	2,505,721

The notes form part of these financial statements

**BM MANCHESTER LIMITED****CONSOLIDATED OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 APRIL 2016**

	Notes	30.4.16 £	30.4.15 £
<b>PROFIT FOR THE YEAR</b>		3,260,949	2,505,721
<b>OTHER COMPREHENSIVE INCOME</b>			
Property revaluation		-	49,092,350
Deferred tax on property revaluation		(32,534)	-
Depreciation on property revaluation		(245,462)	-
Income tax relating to components of other comprehensive income		-	(8,684,901)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>(277,996)</u>	<u>40,407,449</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>2,982,953</u></u>	<u><u>42,913,170</u></u>
Total comprehensive income attributable to:			
Owners of the parent		2,942,953	42,873,170
Non-controlling interests		40,000	40,000
		<u><u>2,982,953</u></u>	<u><u>42,913,170</u></u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**

**30 APRIL 2016**

	Notes	30.4.16	30.4.15
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	99,583,617	100,000,000
Investments	10	-	-
		<u>99,583,617</u>	<u>100,000,000</u>
<b>CURRENT ASSETS</b>			
Stocks	11	73,658	75,838
Debtors	12	5,731,022	2,150,112
Cash at bank and in hand		3,586,613	3,807,918
		<u>9,391,293</u>	<u>6,033,868</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	4,655,071	2,827,916
<b>NET CURRENT ASSETS</b>		<u>4,736,222</u>	<u>3,205,952</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>104,319,839</u>	<u>103,205,952</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(47,500,000)	(47,500,000)
<b>PROVISIONS FOR LIABILITIES</b>	17	(6,107,922)	(6,075,388)
<b>NET ASSETS</b>		<u><u>50,711,917</u></u>	<u><u>49,630,564</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	6	6
Share premium	19	4,649,995	4,649,995
Revaluation reserve	19	42,738,966	43,016,962
Retained earnings	19	3,282,950	1,923,601
<b>SHAREHOLDERS' FUNDS</b>		<u>50,671,917</u>	<u>49,590,564</u>
<b>NON-CONTROLLING INTERESTS</b>	20	<u>40,000</u>	<u>40,000</u>
<b>TOTAL EQUITY</b>		<u><u>50,711,917</u></u>	<u><u>49,630,564</u></u>


The financial statements were approved by the Board of Directors on 25/01/2017 and were signed on its behalf by:

  
 .....  
 C. Christou - Director

**COMPANY BALANCE SHEET**  
**30 APRIL 2016**

	Notes	30.4.16 £	£	30.4.15 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		-		-
Investments	10		<u>80,000</u>		<u>80,000</u>
			80,000		80,000
<b>CURRENT ASSETS</b>					
Debtors	12	4,570,000		4,570,000	
Cash in hand		<u>1</u>		<u>1</u>	
		<u>4,570,001</u>		<u>4,570,001</u>	
<b>NET CURRENT ASSETS</b>			<u>4,570,001</u>		<u>4,570,001</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,650,001</u>		<u>4,650,001</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		6		6
Share premium	19		<u>4,649,995</u>		<u>4,649,995</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,650,001</u>		<u>4,650,001</u>
Company's profit for the financial year			<u>1,901,600</u>		<u>1,000,000</u>

The financial statements were approved by the Board of Directors on 25/1/2017 and were signed on its behalf by:

  
.....  
C. Christou - Director

**BM MANCHESTER LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 APRIL 2016**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 May 2014</b>	6	419,480	4,649,995
<b>Changes in equity</b>			
Dividends	-	(1,001,600)	-
Total comprehensive income	-	2,505,721	-
<b>Balance at 30 April 2015</b>	6	1,923,601	4,649,995

<b>Changes in equity</b>			
Dividends	-	(1,901,600)	-
Total comprehensive income	-	3,260,949	-
<b>Balance at 30 April 2016</b>	6	3,282,950	4,649,995

	Revaluation reserve £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 May 2014</b>	2,609,513	7,678,994	-	7,678,994
<b>Changes in equity</b>				
Dividends	-	(1,001,600)	-	(1,001,600)
Total comprehensive income	40,407,449	42,913,170	40,000	42,953,170
<b>Balance at 30 April 2015</b>	43,016,962	49,590,564	40,000	49,630,564
<b>Changes in equity</b>				
Dividends	-	(1,901,600)	-	(1,901,600)
Total comprehensive income	(277,996)	2,982,953	40,000	3,022,953
<b>Balance at 30 April 2016</b>	42,738,966	50,671,917	80,000	50,751,917

The notes form part of these financial statements

**BM MANCHESTER LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 APRIL 2016**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 May 2014</b>	-	-	4,649,995	4,649,995
<b>Changes in equity</b>				
Issue of share capital	6	-	-	6
Dividends	-	(1,000,000)	-	(1,000,000)
Total comprehensive income	-	1,000,000	-	1,000,000
<b>Balance at 30 April 2015</b>	<u>6</u>	<u>-</u>	<u>4,649,995</u>	<u>4,650,001</u>
<b>Changes in equity</b>				
Dividends	-	(1,901,600)	-	(1,901,600)
Total comprehensive income	-	1,901,600	-	1,901,600
<b>Balance at 30 April 2016</b>	<u>6</u>	<u>-</u>	<u>4,649,995</u>	<u>4,650,001</u>

The notes form part of these financial statements

**BM MANCHESTER LIMITED****CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2016**

	Notes	30.4.16 £	30.4.15 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	3,326,318	5,140,783
Interest paid		(1,464,750)	(1,448,159)
Net cash from operating activities		<u>1,861,568</u>	<u>3,692,624</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(181,273)</u>	<u>(3,788)</u>
Net cash from investing activities		<u>(181,273)</u>	<u>(3,788)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	(1,433,683)
Share issue		-	6
		-	(1,600)
Equity dividends paid		<u>(1,901,600)</u>	<u>(1,000,000)</u>
Net cash from financing activities		<u>(1,901,600)</u>	<u>(2,435,277)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(221,305)</u>	<u>1,253,559</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>3,807,918</u>	<u>2,554,359</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>3,586,613</u></u>	<u><u>3,807,918</u></u>

The notes form part of these financial statements

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.4.16	30.4.15
	£	£
Profit before taxation	3,260,949	2,505,721
Depreciation charges	352,194	339,873
Finance costs	1,464,750	1,448,159
	<hr/>	<hr/>
	5,077,893	4,293,753
Decrease/(increase) in stocks	2,180	(75,838)
Increase in trade and other debtors	(1,679,310)	(137,780)
(Decrease)/increase in trade and other creditors	(74,445)	1,060,648
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>3,326,318</b>	<b>5,140,783</b>
	<hr/> <hr/>	<hr/> <hr/>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 April 2016**

	30.4.16	1.5.15
	£	£
Cash and cash equivalents	3,586,613	3,807,918
	<hr/> <hr/>	<hr/> <hr/>

**Year ended 30 April 2015**

	30.4.15	1.5.14
	£	£
Cash and cash equivalents	3,807,918	2,554,359
	<hr/> <hr/>	<hr/> <hr/>



## **BM MANCHESTER LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 APRIL 2016**

#### **1. STATUTORY INFORMATION**

BM Manchester 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 General Information page.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modifications to a fair value basis for the revaluation of certain assets.

These financial statements for the year 30 April 2016 are the first financial statements that comply with FRS 102. The date of transition is 1 May 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies to those previously used.

The financial statements are presented in Sterling (£).

##### **Basis of consolidation**

The consolidated financial statements of the group include the financial statements of the company and its direct and indirect subsidiary undertakings made up to 30 April 2016. The results of subsidiaries acquired are included in the consolidated profit and loss account from the date control passes. Intra group sales and profits are eliminated fully on consolidation.

##### **Significant judgements and estimates**

In the application of the Group's accounting policies, which are described in accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax.

##### **Tangible fixed assets**

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

Long leasehold	- 0.5% on cost
Fixtures and fittings	- 25% on reducing balance

Leasehold properties are classified as operational properties when they are used by the company's business as opposed to being held primarily for rental income. Operational properties are revalued to fair value on a regular basis.

##### **Stocks**

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling price less costs to complete and sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

##### **Taxation**

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

##### **Hire purchase and leasing commitments**

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

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**2. ACCOUNTING POLICIES - continued**

**Financial liabilities**

Short term creditors are measured at transaction price. Other financial liabilities, including loans from group companies are measured initially at fair value, net of transaction cost and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Financial assets**

Short term debtors are measured at transaction price, less any impairment. Other financial assets, including loans to group companies are measured initially at fair value, net of transactions cost and are subsequently measured at amortised cost using the effective interest method, less any impairment.

**Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company, therefore continues to adopt the going concern policy in preparing its financial statements.

**Fixed asset investments**

Investments in subsidiaries are carried at cost less impairment.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**3. EMPLOYEES AND DIRECTORS**

	30.4.16	30.4.15
	£	£
Wages and salaries	3,915,838	3,822,776

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

	30.4.16	30.4.15
Operational	279	248
Administration	10	13
	<u>289</u>	<u>261</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 289.

Included within wages and salaries are social security costs amounting to £271,891 (2015: £260,364).

	30.4.16	30.4.15
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	30.4.16	30.4.15
	£	£
Hire of plant and machinery	249,192	52,980
Depreciation - owned assets	597,656	339,872
Auditors' remuneration	<u>20,217</u>	<u>19,893</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.4.16	30.4.15
	£	£
Bank loan interest	<u>1,464,750</u>	<u>1,448,159</u>

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**6. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 April 2016 nor for the year ended 30 April 2015.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.4.16 £	30.4.15 £
Profit before tax	<u>3,260,949</u>	<u>2,505,721</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	652,190	501,144
Effects of:		
Capital allowances in excess of depreciation	(236,133)	(221,657)
Group relief	<u>(416,057)</u>	<u>(279,487)</u>
Total tax charge	<u>-</u>	<u>-</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £	30.4.16 Tax £	Net £
Property revaluation			
Deferred tax on property revaluation	(32,534)	-	(32,534)
Depreciation on property revaluation	<u>(245,462)</u>	<u>-</u>	<u>(245,462)</u>
	<u>(277,996)</u>	<u>-</u>	<u>(277,996)</u>

	Gross £	30.4.15 Tax £	Net £
Property revaluation	49,092,350	(8,684,901)	40,407,449
	<u>49,092,350</u>	<u>(8,684,901)</u>	<u>40,407,449</u>

**7. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**8. DIVIDENDS**

	30.4.16 £	30.4.15 £
Ordinary shares of £1 each		
Interim	1,900,000	1,000,000
Non-redeemable preference shares of £ each		
Interim	<u>1,600</u>	<u>1,600</u>
	<u>1,901,600</u>	<u>1,001,600</u>

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**9. TANGIBLE FIXED ASSETS**

**Group**

	Long leasehold £	Fixtures and fittings £	Totals £
<b>COST OR VALUATION</b>			
At 1 May 2015	100,802,518	586,139	101,388,657
Additions	-	181,273	181,273
At 30 April 2016	100,802,518	767,412	101,569,930
<b>DEPRECIATION</b>			
At 1 May 2015	1,046,483	342,174	1,388,657
Charge for year	491,346	106,310	597,656
At 30 April 2016	1,537,829	448,484	1,986,313
<b>NET BOOK VALUE</b>			
At 30 April 2016	99,264,689	318,928	99,583,617
At 30 April 2015	99,756,035	243,965	100,000,000

Cost or valuation at 30 April 2016 is represented by:

	Long leasehold £	Fixtures and fittings £	Totals £
Valuation in 2015	49,092,350	-	49,092,350
Cost	51,710,168	767,412	52,477,580
	100,802,518	767,412	101,569,930

If leasehold property had not been revalued it would have been included at the following historical cost:

	30.4.16	30.4.15
	£	£
Cost	51,710,168	51,706,380

**10. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 May 2015 and 30 April 2016	80,000
<b>NET BOOK VALUE</b>	
At 30 April 2016	80,000
At 30 April 2015	80,000

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**10. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**Blue Manchester Limited**

Registered office:

Nature of business: Hotel

	%		
	holding		
	100.00		
Class of shares:		30.4.16	30.4.15
Ordinary		£	£
Aggregate capital and reserves		46,141,916	45,060,563
Profit for the year		3,260,949	2,505,721
		<u>                    </u>	<u>                    </u>

**11. STOCKS**

	<b>Group</b>	
	30.4.16	30.4.15
	£	£
Stocks	73,658	75,838
	<u>                    </u>	<u>                    </u>

**12. DEBTORS**

	<b>Group</b>	<b>Company</b>	
	30.4.16	30.4.15	30.4.16
	£	£	£
Amounts falling due within one year:			
Trade debtors	427,308	540,448	-
Other debtors	410,735	30,719	-
Amounts owed by group undertakings	4,752,133	-	-
Prepayments	140,846	145,262	-
	<u>5,731,022</u>	<u>716,429</u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Amounts falling due after more than one year:			
Amounts owed by group undertakings	-	1,433,683	-
Amounts owed by group undertakings	-	-	4,570,000
	<u>                    </u>	<u>1,433,683</u>	<u>4,570,000</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Aggregate amounts	<u>5,731,022</u>	<u>2,150,112</u>	<u>4,570,000</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	30.4.16	30.4.15
	£	£
Trade creditors	257,129	163,413
Amounts owed to group undertakings	1,901,600	-
Social security and other taxes	72,621	59,607
VAT	265,045	733,754
Other creditors	186,970	163,663
Advance deposits	378,928	531,079
Accrued expenses	1,592,778	1,176,400
	<u>4,655,071</u>	<u>2,827,916</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	30.4.16	30.4.15
	£	£
Bank loans (see note 15)	<u>47,500,000</u>	<u>47,500,000</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	30.4.16	30.4.15
	£	£
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>47,500,000</u>	<u>47,500,000</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	30.4.16	30.4.15
	£	£
Bank loans	<u>47,500,000</u>	<u>47,500,000</u>

Bank loans are secured by way of mortgage debentures, floating charges and legal charges over the assets of the company.

**17. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	30.4.16	30.4.15
	£	£
Deferred tax	<u>6,107,922</u>	<u>6,075,388</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 May 2015		6,075,388
Provided during year		<u>32,534</u>
Balance at 30 April 2016		<u>6,107,922</u>

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		30.4.16		30.4.15	
Number:	Class:	Nominal value:	£	£	£
6	Ordinary	£1	6	6	6

**19. RESERVES**

**Group**

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 May 2015	1,923,601	4,649,995	43,016,962	49,590,558
Profit for the year	3,260,949			3,260,949
Dividends	(1,901,600)			(1,901,600)
Revaluation	-	-	(245,462)	(245,462)
Deferred tax	-	-	(32,534)	(32,534)
At 30 April 2016	<u>3,282,950</u>	<u>4,649,995</u>	<u>42,738,966</u>	<u>50,671,911</u>

**Company**

	Retained earnings £	Share premium £	Totals £
At 1 May 2015	-	4,649,995	4,649,995
Profit for the year	1,901,600		1,901,600
Dividends	(1,901,600)		(1,901,600)
At 30 April 2016	<u>-</u>	<u>4,649,995</u>	<u>4,649,995</u>

**20. NON-CONTROLLING INTERESTS**

This note gives details of the Group's minority interests and shows the movement during the year.

	30.04.16 £
Minority Interests	<u>40,000</u>
Balance as at 30 April 2016	<u>40,000</u>

**21. PENSION COMMITMENTS**

The company operated a defined contribution pension scheme for the benefit of its employees. The costs of the scheme are recognised in the period in which contributions are payable and total £4,656 (2015: £4,569) for the period under review.

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**22. CONTINGENT LIABILITIES**

The company is part of an omnibus guarantee and set off agreement for securing all monies due or to become due from certain group companies which at 30 April 2016 amounted to £266 million.

The company is from time to time party to legal actions arising in the ordinary course of business. The directors have advised that there are no current actions which could have a material adverse effect on the financial position of the company.

**23. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Y. Christodoulou.

**24. PARENT COMPANY**

The immediate parent company is Blue Marques (M) Limited, incorporated in BVI. The ultimate parent company is Yianis Holdings TC Limited, incorporated in BVI.

**25. SHAREHOLDERS' FUNDS**

Included in retained earnings is an amount of £3,282,950 (2015: £1,923,601) which is distributable to the shareholders.



**BM MANCHESTER LIMITED**  
**RECONCILIATION OF EQUITY**  
**1 MAY 2014**  
**(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		51,243,734	-	51,243,734
<b>CURRENT ASSETS</b>				
Stocks		70,755	-	70,755
Debtors		644,609	-	644,609
Cash at bank and in hand		2,554,359	-	2,554,359
		3,269,723	-	3,269,723
<b>CREDITORS</b>				
Amounts falling due within one year		(2,007,851)	-	(2,007,851)
<b>NET CURRENT ASSETS</b>		1,261,872	-	1,261,872
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		52,505,606	-	52,505,606
<b>CREDITORS</b>				
Amounts falling due after more than one year		(47,396,125)	-	(47,396,125)
<b>PROVISIONS FOR LIABILITIES</b>	26	-	2,609,513	2,609,513
<b>NET ASSETS</b>		5,109,481	2,609,513	7,718,994
<b>CAPITAL AND RESERVES</b>				
Called up share capital		6	-	6
Share premium		4,649,995	-	4,649,995
Revaluation reserve		-	2,609,513	2,609,513
Retained earnings		419,480	-	419,480
<b>SHAREHOLDERS' FUNDS</b>		5,069,481	2,609,513	7,678,994
<b>MINORITY INTERESTS</b>		40,000	-	40,000
		5,109,481	2,609,513	7,718,994

The notes form part of these financial statements

**BM MANCHESTER LIMITED**

**RECONCILIATION OF EQUITY - continued**

**30 APRIL 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		100,000,000	-	100,000,000
<b>CURRENT ASSETS</b>				
Stocks		75,838	-	75,838
Debtors		2,150,112	-	2,150,112
Cash at bank and in hand		3,807,918	-	3,807,918
		6,033,868	-	6,033,868
<b>CREDITORS</b>				
Amounts falling due within one year		(2,827,916)	-	(2,827,916)
<b>NET CURRENT ASSETS</b>		3,205,952	-	3,205,952
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		103,205,952	-	103,205,952
<b>CREDITORS</b>				
Amounts falling due after more than one year		(47,500,000)	-	(47,500,000)
<b>PROVISIONS FOR LIABILITIES</b>	26	-	(6,075,388)	(6,075,388)
<b>NET ASSETS</b>		55,705,952	(6,075,388)	49,630,564
<b>CAPITAL AND RESERVES</b>				
Called up share capital		6	-	6
Share premium		4,649,995	-	4,649,995
Revaluation reserve		49,092,350	(6,075,388)	43,016,962
Retained earnings		1,923,601	-	1,923,601
<b>SHAREHOLDERS' FUNDS</b>		55,665,952	(6,075,388)	49,590,564
<b>MINORITY INTERESTS</b>		40,000	-	40,000
		55,705,952	(6,075,388)	49,630,564

**Notes to the reconciliation of equity**

**26. PROVISION FOR LIABILITIES**

Prior to adoption of FRS 102, there was no requirement to provide for deferred tax on revalued assets until there is a binding agreement to sell the assets. Under FRS 102 however, there is no special treatment for revaluations, they are treated as giving rise to timing differences.

Consequently a deferred tax provision of £2,609,513 at 01 May 2014 has been made to reflect this. The provision at 30 April 2015 had increased to £6,075,388 and the increase in provision of £8,684,901 has been charged to the revaluation reserve account in the year ended 30 April 2015.

**BM MANCHESTER LIMITED****RECONCILIATION OF PROFIT**  
**FOR THE YEAR ENDED 30 APRIL 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>TURNOVER</b>	18,767,796	-	18,767,796
Cost of sales	(1,946,785)	-	(1,946,785)
<b>GROSS PROFIT</b>	16,821,011	-	16,821,011
Administrative expenses	(12,867,131)	-	(12,867,131)
<b>OPERATING PROFIT</b>	3,953,880	-	3,953,880
Interest payable and similar expenses	(1,448,159)	-	(1,448,159)
<b>PROFIT BEFORE TAXATION</b>	2,505,721	-	2,505,721
Tax on profit	-	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	2,505,721	-	2,505,721
Profit attributable to: Owners of the parent			2,505,721

The notes form part of these financial statements