

GRECIAN HOTELS INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



GRECIAN HOTELS INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS

Nicos Kounnas
Marinos Kounnas

SECRETARY

Nicos Kounnas

REGISTERED OFFICE

21 Aylmer Parade
Aylmer Road
London
N2 0AT

COMPANY REGISTERED NUMBER

04221125

BANKERS

HSBC Bank Plc
69 Pall Mall
London
SW1Y 5EY

Barclays Bank Plc
131 Edgware Road
Paddington
London
W2 2HR

AUDITORS

Kallis & Partners
Chartered Accountants and Statutory Auditors
Mountview Court
1148 High Road
Whetstone
London
N20 0RA

GRECIAN HOTELS INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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GRECIAN HOTELS INTERNATIONAL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- 1) select suitable accounting policies and then apply them consistently.
- 2) make judgements and accounting estimates that are reasonable and prudent.
- 3) 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

The directors of the company who held office on the date of approval of this annual report confirm that:

- a) so far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PRINCIPAL ACTIVITIES

The principal activities of the company is that of hoteliers.

DIRECTORS

The directors who served during the year were as follows:

Nicos Kounnas
Marinos Kounnas

GRECIAN HOTELS INTERNATIONAL LIMITED
DIRECTORS' REPORT (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2018

AUDITORS

The auditors, Kallis & Partners, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the board on ...26/09/... 2019 and signed on their behalf.



Nicos Kounnas

Director

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GRECIAN HOTELS INTERNATIONAL LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Grecian Hotels International Limited for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Financial Position, and the notes to the financial statements. 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 FRS102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profits for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the directors' report 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.

INDEPENDENT AUDITORS' REPORT (CONT.)
TO THE MEMBERS OF
GRECIAN HOTELS INTERNATIONAL LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on the Directors Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

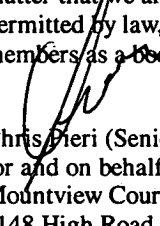
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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 that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, or the opinions we have formed.


Chris Pieri (Senior statutory auditor)
for and on behalf of Kallis & Partners, Statutory Auditor
Mountview Court
1148 High Road
Whetstone
London
N20 0RA

27/9/2019

GRECIAN HOTELS INTERNATIONAL LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
TURNOVER		4,297,490	4,141,305
Cost of sales		1,253,664	1,153,189
GROSS PROFIT		3,043,826	2,988,116
Distribution costs and selling expenses		372,275	452,742
Administrative expenses		1,340,100	1,240,474
OPERATING PROFIT		1,331,451	1,294,900
Other interest receivable and similar income		12,811	5,247
Interest payable and similar charges		(159,472)	(192,142)
PROFIT BEFORE TAXATION		1,184,790	1,108,005
Taxation		287,471	275,156
PROFIT AFTER TAXATION		897,319	832,849
PROFIT FOR THE FINANCIAL YEAR		897,319	832,849

The notes on pages 9-14 form part of these financial statements

GRECIAN HOTELS INTERNATIONAL LIMITED
 Company registered number: 04221125
STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	4	39,680,859	39,990,623
CURRENT ASSETS			
Stocks		9,261	13,741
Debtors	5	182,086	413,618
Cash at bank and in hand		5,390,718	4,420,443
CREDITORS: Amounts falling due within one year	6	5,582,065 2,608,756	4,847,802 8,718,081
NET CURRENT ASSETS/(LIABILITIES)		2,973,309	(3,870,279)
TOTAL ASSETS LESS CURRENT LIABILITIES		42,654,168	36,120,344
CREDITORS: Amounts falling due after more than one year	7	(5,625,000)	-
PROVISIONS FOR LIABILITIES	8	(66,069)	(54,564)
NET ASSETS		36,963,099	36,065,780
CAPITAL AND RESERVES			
Called up share capital	9	6,200,000	6,200,000
Retained earnings		30,763,099	29,865,780
SHAREHOLDERS' FUNDS		36,963,099	36,065,780

The financial statements of Grecian Hotels International Limited which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved by the board of directors on 26/09/2019 and signed on its behalf.


 Nicos Kounnas, Director

The notes on pages 9-14 form part of these financial statements

GRECIAN HOTELS INTERNATIONAL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SIGNIFICANT ACCOUNTING POLICIES

1a. Statement of compliance

Grecian Hotels International Limited is a private company limited by shares incorporated in England. The registered office address of the company is 21 Aylmer Parade, Aylmer Road, London, N2 0AT.

Basis of accounting

These financial statements have been prepared in accordance with the provisions of Section 1A of 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 under the historical cost convention. The presentation currency is £ sterling.

1c. Going Concern

The directors believe that the company is experiencing good levels of sales growth and profitability and that it is well placed to manage its business risks successfully. Accordingly they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1d. Revenue recognition

Turnover is derived from hotel operations, and arose wholly in the United Kingdom. Turnover represents sales (excluding VAT and similar taxes) of goods and services, net of discounts, provided in the normal course of business and are recognised when services have been rendered. The turnover of the hotel is derived primarily from the rental of rooms, conference and banqueting, food and beverage sales. Turnover is recognised when rooms are occupied and food and beverages are sold.

1e. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1f. Taxation

Taxation represents the sum of tax currently payable and deferred tax. The company's tax liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

GRECIAN HOTELS INTERNATIONAL LIMITED
NOTES TO THE ACCOUNTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

1g. Property, plant and equipment

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Straight line 2%
Equipment	Reducing balance 25%
Fixtures and fittings	Reducing balance 15%

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exists. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

1h. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs incurred in bringing each product to its present location and condition.

Financial instruments

1i. Short term debtors and creditors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade debtors are assessed for impairment at the end of each reporting period and amounts impaired are deducted and charged to the Profit and Loss Account.

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised costs using the effective interest method unless the effect of discounting would be immaterial in which case they are stated at cost.

1j. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

GRECIAN HOTELS INTERNATIONAL LIMITED
NOTES TO THE ACCOUNTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

1k. Leased assets

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful life. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

1l. Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

1m. Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1n. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was 25 (2017 - 24).

GRECIAN HOTELS INTERNATIONAL LIMITED
NOTES TO THE ACCOUNTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2018

3. INTANGIBLE FIXED ASSETS

	Goodwill £	Total £
Cost		
At 1 January 2018	1	1
At 31 December 2018	1	1
Amortisation		
At 1 January 2018	1	1
At 31 December 2018	1	1
Net Book Amounts		
At 31 December 2018	-	-

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold £	Plant & Machinery £	Total £
Cost			
At 1 January 2018	41,131,457	1,130,423	42,261,880
Additions	-	171,455	171,455
Disposals	-	(83,450)	(83,450)
At 31 December 2018	41,131,457	1,218,428	42,349,885
Depreciation			
At 1 January 2018	1,658,235	613,022	2,271,257
Disposals	-	(46,485)	(46,485)
For the year	331,892	112,362	444,254
At 31 December 2018	1,990,127	678,899	2,669,026
Net Book Amounts			
At 31 December 2018	39,141,330	539,529	39,680,859
At 31 December 2017	39,473,222	517,401	39,990,623

GRECIAN HOTELS INTERNATIONAL LIMITED
NOTES TO THE ACCOUNTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2018

5. DEBTORS	2018	2017
	£	£
Trade debtors	129,876	140,577
Amounts owed by group company	-	202,674
Other debtors	52,210	70,367
	<u>182,086</u>	<u>413,618</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018	2017
	£	£
Bank loans	2,000,000	8,125,000
Trade creditors	123,327	99,571
Amounts owed to group undertakings	29,145	-
Corporation tax	139,216	155,614
Other taxes and social security	137,407	122,797
Accruals and deferred income	179,661	215,099
	<u>2,608,756</u>	<u>8,718,081</u>

Of the creditors falling due within one year and after one year, there are bank loans totalling £7,625,000 (2017 - £8,125,000) secured by fixed and floating charges over the company's assets.

7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2018	2017
	£	£
Bank loans	5,625,000	-
	<u>5,625,000</u>	<u>-</u>

8. DEFERRED TAX	2018	2017
	£	£
Balance at 1 January 2018	54,564	52,432
Charge for the year	11,505	2,132
Balance at 31 December 2018	<u>66,069</u>	<u>54,564</u>

GRECIAN HOTELS INTERNATIONAL LIMITED
NOTES TO THE ACCOUNTS (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2018

9. SHARE CAPITAL	2018	2017
	£	£
Allotted, issued and fully paid:		
6200000 Ordinary shares of £1 each	<u>6,200,000</u>	<u>6,200,000</u>

10. ULTIMATE PARENT COMPANY

The company is a 100% subsidiary undertaking of Grecian Hotel Enterprises Limited incorporated in Cyprus.