

Downs Holdings Limited

Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 30 April 2016

“Registrar of Companies Copy”

Registered Number: 01325054



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for the Year Ended 30 April 2016

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Downs Holdings Limited
Company Information
for the Year Ended 30 April 2016

DIRECTORS:

Mrs A Downs
Mr S M Downs

SECRETARY:

Mr S M Downs

REGISTERED OFFICE:

Kirklevington Hall Farm
Kirklevington
Yarm
Cleveland
TS15 9LW

REGISTERED NUMBER:

01325054 (England and Wales)

AUDITORS:

Anderson Barrowcliff LLP
Statutory Auditor
Chartered Accountants
Waterloo House
Teesdale South
Thornaby Place
Thornaby on Tees
TS17 6SA

Strategic Report
for the Year Ended 30 April 2016

The directors present their strategic report for the year ended 30 April 2016.

REVIEW OF BUSINESS

During the year the company has continued to operate its two hotels to the same exacting standards set in prior years. Results have decreased slightly on last year, with the company achieving a profit before tax of £123,103 (2015: £147,722). The company relies on its corporate customer base and weddings for the general public for a significant portion of its income and has found positive signs during the last couple of years that both the corporate and public's depressed attitude to discretionary spending is now improving.

The company activity during the year has benefitted considerably from the extensive refurbishment programme of bedrooms, bathrooms and communal areas at Gomersal Park Hotel, completed in the prior year.

During the year the company completed the major re-development of the spa facilities at Gomersal Park Hotel. This was opened to the public in June 2015.

PRINCIPAL RISKS AND UNCERTAINTIES

In common with other businesses in the hotel industry, the principal risks affecting the performance are the general economic climate and both personal and corporate attitudes towards discretionary expenditure. The Directors believe they have taken adequate steps to mitigate these risks. The year end position of the company is considered satisfactory, with potential for sustained profitability albeit at a reduced level for the next number of years.


In common with other businesses, the company aims to minimise financial risk wherever possible. The measures used by the directors to manage risk include the preparation of forecasts, regular monitoring of actual performance against these forecasts, and ensuring adequate sources of finance are in place to meet the requirements of the business.

The company's principal financial instruments comprise bank balances, hire purchase agreements, trade creditors, trade debtors and bank and other loans. The main purpose of these instruments is to raise funds for and finance the company's operations.

KEY PERFORMANCE INDICATORS

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the entity, and all the relevant financial information has been disclosed within the financial statements.

ON BEHALF OF THE BOARD:



Mr S M Downs - Secretary

29 November 2016

Report of the Directors
for the Year Ended 30 April 2016

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of hoteliers.

The directors do not anticipate any significant future changes or developments.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2015 to the date of this report.

Mrs A Downs

Mr S M Downs

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 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.

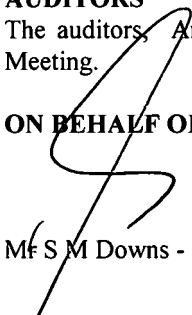
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Anderson Barrowcliff LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


Mr S M Downs - Secretary

29 November 2016

Report of the Independent Auditors to the Members of
Downs Holdings Limited

We have audited the financial statements of Downs Holdings Limited for the year ended 30 April 2016 on pages six to twenty three. 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 set out on page three, 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 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 company's affairs as at 30 April 2016 and of its 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 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.

Report of the Independent Auditors to the Members of
Downs Holdings 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.

David Shawcross FCA (Senior Statutory Auditor)
for and on behalf of Anderson Barrowcliff LLP
Statutory Auditor
Chartered Accountants
Waterloo House
Teesdale South
Thornaby Place
Thornaby on Tees
TS17 6SA

29 November 2016

Downs Holdings Limited (Registered number: 01325054)

Statement of Comprehensive Income
for the Year Ended 30 April 2016

	Notes	2016 £	2015 £
TURNOVER	2	3,785,823	3,453,783
Cost of sales		682,200	629,343
GROSS PROFIT		3,103,623	2,824,440
Administrative expenses		2,790,772	2,517,071
		312,851	307,369
Other operating income		2,154	6,248
OPERATING PROFIT		315,005	313,617
Interest receivable and similar income		5	5
		315,010	313,622
Interest payable and similar charges	4	191,907	165,900
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	123,103	147,722
Tax on profit on ordinary activities	6	-	-
PROFIT FOR THE FINANCIAL YEAR		123,103	147,722
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		123,103	147,722

The notes form part of these financial statements

Statement of Financial Position

30 April 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	7,149,726	7,206,949
CURRENT ASSETS			
Stocks	8	82,227	83,166
Debtors	9	500,252	435,974
Cash at bank and in hand		240,968	240,586
		<u>823,447</u>	<u>759,726</u>
CREDITORS			
Amounts falling due within one year	10	<u>1,902,471</u>	<u>1,601,173</u>
NET CURRENT LIABILITIES		<u>(1,079,024)</u>	<u>(841,447)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,070,702</u>	<u>6,365,502</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>4,535,729</u>	<u>4,953,632</u>
NET ASSETS		<u><u>1,534,973</u></u>	<u><u>1,411,870</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	25,000	25,000
Retained earnings	17	<u>1,509,973</u>	<u>1,386,870</u>
SHAREHOLDERS' FUNDS		<u><u>1,534,973</u></u>	<u><u>1,411,870</u></u>

The financial statements were approved by the Board of Directors on 29 November 2016 and were signed on its behalf by:

Mr S M Downs - Director

Downs Holdings Limited (Registered number: 01325054)

Statement of Changes in Equity
for the Year Ended 30 April 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2014	25,000	1,239,148	1,264,148
Changes in equity			
Total comprehensive income	-	147,722	147,722
Balance at 30 April 2015	25,000	1,386,870	1,411,870
Changes in equity			
Total comprehensive income	-	123,103	123,103
Balance at 30 April 2016	25,000	1,509,973	1,534,973

The notes form part of these financial statements

Downs Holdings Limited (Registered number: 01325054)

Statement of Cash Flows
for the Year Ended 30 April 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	577,355	436,049
Interest paid		(191,907)	(165,900)
Tax paid		(30,876)	216
Net cash from operating activities		<u>354,572</u>	<u>270,365</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(136,082)	(1,227,731)
Sale of tangible fixed assets		-	13,492
Interest received		5	5
Net cash from investing activities		<u>(136,077)</u>	<u>(1,214,234)</u>
Cash flows from financing activities			
New loans in year		-	1,241,000
Loan capital repayments		(434,994)	(302,374)
Hire purchase capital repayments		(5,279)	25,600
Amount introduced by directors		282,264	1,827
Amount withdrawn by directors		(60,104)	(57,987)
Net cash from financing activities		<u>(218,113)</u>	<u>908,066</u>
Increase/(decrease) in cash and cash equivalents		<u>382</u>	<u>(35,803)</u>
Cash and cash equivalents at beginning of year	2	240,586	276,389
Cash and cash equivalents at end of year	2	<u>240,968</u>	<u>240,586</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 30 April 2016

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

	2016	2015
	£	£
Profit before taxation	123,103	147,722
Depreciation charges	193,158	147,741
Loss/(profit) on disposal of fixed assets	147	(2,537)
Finance costs	191,907	165,900
Finance income	(5)	(5)
	508,310	458,821
Decrease in stocks	939	3,497
Increase in trade and other debtors	(50,103)	(51,964)
Increase in trade and other creditors	118,209	25,695
	577,355	436,049

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 April 2016

	30.4.16	1.5.15
	£	£
Cash and cash equivalents	240,968	240,586

Year ended 30 April 2015

	30.4.15	1.5.14
	£	£
Cash and cash equivalents	240,586	276,389

Notes to the Financial Statements
for the Year Ended 30 April 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Downs Holdings Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the company's operations and its principal activities are set out in the Report of the Directors on page 3.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" (FRS102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company adopted FRS102 in the current year and an explanation of how transition to FRS102 has affected the reported financial position and performance is given in the notes to the financial statements.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- Between 1% and 1 1/3% on cost
Long leasehold	- Over period of lease
Plant, machinery, fixtures & fittings	- Between 10% and 15% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation is not provided on freehold land.

The company capitalises directly attributable finance costs on tangible fixed assets in the course of construction. Rates of capitalisation depend on whether a specific loan has been taken out (when the actual interest rate and interest paid are used), or whether the construction has been financed by general borrowings. Other directly attributable finance costs actually incurred are also capitalised where appropriate.

Stocks

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

Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a non-contributory pension scheme. Contributions are charged to the Profit and Loss Account as they accrue.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Judgements and key sources of estimation uncertainty

In the application of the companies accounting policies, which are described above, 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.

2. TURNOVER

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

3. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	1,489,594	1,349,371
Social security costs	87,727	79,808
Other pension costs	12,123	10,570
	<u>1,589,444</u>	<u>1,439,749</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

3. STAFF COSTS - continued

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

	2016	2015
Directors	2	2
Hotel and catering	127	123
	<u>129</u>	<u>125</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank interest	165,674	156,888
Other interest	13,995	2,941
Pension fund loan interest	12,238	5,855
Corporation tax interest	-	216
	<u>191,907</u>	<u>165,900</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after charging/(crediting):

	2016	2015
	£	£
Hire of plant and machinery	18,765	-
Other operating leases	8,510	5,243
Depreciation - owned assets	186,893	145,463
Depreciation - assets on hire purchase contracts	6,265	2,278
Loss/(profit) on disposal of fixed assets	147	(2,537)
Auditors remuneration	10,390	9,000
	<u>17,185</u>	<u>15,985</u>
Directors' remuneration	5,420	5,520
Directors' pension contributions to money purchase schemes	<u>1</u>	<u>1</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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6. TAXATION

Analysis of the tax charge

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

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

6. TAXATION - continued

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:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>123,103</u>	<u>147,722</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	24,621	29,544
Effects of:		
Capital allowances in excess of depreciation	(193)	(89,436)
Utilisation of tax losses	(24,428)	-
Losses carried forward to be offset against future year trading profits	-	59,892
Total tax charge	<u>-</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant, machinery, fixtures & fittings £
COST			
At 1 May 2015	9,796,502	5,040	2,458,358
Additions	58,595	-	74,991
Disposals	-	-	(60,190)
At 30 April 2016	<u>9,855,097</u>	<u>5,040</u>	<u>2,473,159</u>
DEPRECIATION			
At 1 May 2015	3,413,056	45	1,677,291
Charge for year	64,916	5	117,335
Eliminated on disposal	-	-	(60,043)
At 30 April 2016	<u>3,477,972</u>	<u>50</u>	<u>1,734,583</u>
NET BOOK VALUE			
At 30 April 2016	<u>6,377,125</u>	<u>4,990</u>	<u>738,576</u>
At 30 April 2015	<u>6,383,446</u>	<u>4,995</u>	<u>781,067</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

7. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2015	32,688	32,194	12,324,782
Additions	-	2,496	136,082
Disposals	-	-	(60,190)
	<hr/>	<hr/>	<hr/>
At 30 April 2016	32,688	34,690	12,400,674
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 May 2015	3,170	24,271	5,117,833
Charge for year	7,380	3,522	193,158
Eliminated on disposal	-	-	(60,043)
	<hr/>	<hr/>	<hr/>
At 30 April 2016	10,550	27,793	5,250,948
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 April 2016	22,138	6,897	7,149,726
	<hr/>	<hr/>	<hr/>
At 30 April 2015	29,518	7,923	7,206,949
	<hr/>	<hr/>	<hr/>

Included in freehold land & buildings is land valued at £750,000 which is not depreciated.

Included within freehold land and buildings cost carried forward are finance and related costs of £240,348 which were capitalised during the construction of the expansion at Gomersal.

The freehold property has been pledged to secure the borrowings of the company (see note 14)

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 May 2015 and 30 April 2016	27,338
	<hr/>
DEPRECIATION	
At 1 May 2015	2,278
Charge for year	6,265
	<hr/>
At 30 April 2016	8,543
	<hr/>
NET BOOK VALUE	
At 30 April 2016	18,795
	<hr/>
At 30 April 2015	25,060
	<hr/>

8. STOCKS

	2016 £	2015 £
Goods for resale	82,227	83,166
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	59,017	57,245
Other debtors	183,880	144,670
Directors' current accounts	118,448	142,876
Taxation recoverable	81,533	42,930
Prepayments and accrued income	57,374	48,253
	<u>500,252</u>	<u>435,974</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 12)	233,297	256,459
Other loans (see note 12)	171,336	170,544
Hire purchase contracts (see note 13)	5,279	5,279
Trade creditors	172,385	148,509
Taxation	38,603	30,876
Social security and other taxes	21,068	21,316
Other creditors	184,900	68,723
Payment received on account	512,635	521,676
Directors' current accounts	197,732	-
Accrued expenses	365,236	377,791
	<u>1,902,471</u>	<u>1,601,173</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans (see note 12)	4,095,145	4,336,434
Other loans (see note 12)	437,064	608,399
Hire purchase contracts (see note 13)	3,520	8,799
	<u>4,535,729</u>	<u>4,953,632</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank loans - less than 1 yr	233,297	256,459
Other loans - less than 1 yr	171,336	170,544
	<u>404,633</u>	<u>427,003</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

12. LOANS - continued

	2016	2015
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	226,942	256,458
Other loans - 1-2 years	171,013	171,336
	<u>397,955</u>	<u>427,794</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	3,868,203	1,430,873
Other loans - 2-5 years	266,051	437,063
	<u>4,134,254</u>	<u>1,867,936</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years by instalments	<u>-</u>	<u>2,649,103</u>

The bank loan liability is split into four separate loans. Loans 1 and 2 were on an interest only basis for a 5 year term commencing on 10 June 2008. The capital elements of loans 1 and 2 are repayable by equal instalments over a 15 year term commencing from July 2013. Interest on loan 1 is charged at a rate of 1.25% over base lending rate for the full term of the loan. Interest on loan 2 is charged at 1.25% over LIBOR for the full term of the loan. Loan 3 is on a 3 year term commencing on July 2013. Repayment terms are calculated on a 15 year capital and interest repayment profile. It is the Directors understanding that the loan will be reviewed at the end of the 3 year term and a new 3 year agreement will be entered into by the company and bank, however, the above analysis assumes repayment in full at the end of year 3. Interest on loan 3 is being charged at 3.15% over LIBOR for the full term of the loan.

Loan 4 is on a 3 year term commencing in March 2015. Repayment terms are calculated on a 15 year capital and interest repayment profile. It is the Directors understanding that the loan will be reviewed at the end of the 3 year term and a new 3 year agreement will be entered into by the company and bank, however, the above analysis assumes repayment in full at the end of year 3. Interest on loan 4 is being charged at 3.15% over LIBOR for the full term of the loan.

The other loan liability is split into 3 separate loans. Loan 1 is repayable in equal monthly instalments over 15 years at an interest rate of base plus 3%. Loan 2 is repayable in equal monthly instalments, commencing in April 2015, over 5 years at an interest rate of 3.5%. Loan 3 is repayable in equal monthly instalments, commencing in April 2015, over 5 years at an interest rate of 3.0%.

13. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	5,279	5,279
Between one and five years	3,520	8,799
	<u>8,799</u>	<u>14,078</u>

Downs Holdings Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

13. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	20,388	-
Between one and five years	46,172	-
	<u>66,560</u>	<u>-</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank loans	4,328,442	4,592,893
Hire purchase contracts	8,799	14,078
Other loans	608,400	778,943
	<u>4,945,641</u>	<u>5,385,914</u>

The bank loans are secured by charges over Gomersal Park Hotel and Judges Hotel and on a Scottish Equitable life insurance policy in the name of S M Downs.

The other loans disclosed above are secured by charges over Gomersal Park Hotel and Judges Hotel.

The hire purchase and finance lease liabilities are secured on the assets to which they relate.

15. FINANCIAL INSTRUMENTS

The carrying amounts of the company's financial instruments are as follows:

	2016	2015
	£	£
Financial liabilities		
Measured at amortised cost		
- Bank loans (see note 12)	4,328,442	4,592,893
- Other loans (see note 12)	608,400	778,943
- Hire purchase contracts	8,799	14,078
	<u>4,945,641</u>	<u>5,385,914</u>

The expenses attributable to the company's financial instruments are summarised as follows:

	2016	2015
	£	£
Total interest expense for financial liabilities at amortised cost	<u>191,907</u>	<u>165,684</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
25,000	Ordinary	£1	<u>25,000</u>	<u>25,000</u>

17. RESERVES

	Retained earnings £
At 1 May 2015	1,386,870
Profit for the year	123,103
At 30 April 2016	<u>1,509,973</u>

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they accrue. The charge for the year amounted to £12,123 (2015 - £10,570). Contributions outstanding at the year end amounted to ££860 (2015: £nil)

19. CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>58,281</u>

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 April 2016 and 30 April 2015:

	2016 £	2015 £
Mr S M Downs		
Balance outstanding at start of year	126,826	76,593
Amounts advanced	53,885	52,061
Amounts repaid	(62,263)	(1,828)
Balance outstanding at end of year	<u>118,448</u>	<u>126,826</u>
Mrs A Downs		
Balance outstanding at start of year	16,049	10,123
Amounts advanced	6,218	5,926
Amounts repaid	(220,000)	-
Balance outstanding at end of year	<u>(197,733)</u>	<u>16,049</u>

The loans to/from the directors are repayable on demand and interest free.

Downs Holdings Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

21. RELATED PARTY DISCLOSURES

Included within other loans are 2 loans with the Downs Holdings Limited Self Administered Pension Fund. Both Directors and a number of shareholders are members of this fund.

Loan 1 has a balance of £45,949 outstanding at the year end (2015: £68,293) with interest of £2,042 being charged in the year (2015: £2,865)

Loan 2 has a balance of £405,000 outstanding at the year end (2015: £513,000) with interest of £10,196 being charged in the year (2015: £2,549)

Details of the terms of the loans are disclosed in note 12.

At the year end, included in other debtors is an employee loan of £182,750 (2015: £129,500) to Mrs S Downs, the wife of Mr SM Downs, a Director of the company. The interest free loan has no formal repayment terms and is repayable on demand.

The total remuneration for key management personnel for the year totalled £22,605 (2015: £21,505), being remuneration disclosed in note 5.

22. CONTROL RELATIONSHIP

The company is under the control of Mr S M Downs.

23. FIRST YEAR ADOPTION

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 April 2015 and the date of transition to FRS 102 was therefore 1 May 2014.

Reconciliation of Equity
1 May 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		6,153,752	-	6,153,752
CURRENT ASSETS				
Stocks		86,663	-	86,663
Debtors		328,133	-	328,133
Cash at bank and in hand		276,389	-	276,389
		691,185	-	691,185
CREDITORS				
Amounts falling due within one year		(1,419,267)	-	(1,419,267)
NET CURRENT LIABILITIES		(728,082)	-	(728,082)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,425,670	-	5,425,670
CREDITORS				
Amounts falling due after more than one year		(4,161,522)	-	(4,161,522)
NET ASSETS		1,264,148	-	1,264,148
CAPITAL AND RESERVES				
Called up share capital		25,000	-	25,000
Retained earnings		1,239,148	-	1,239,148
SHAREHOLDERS' FUNDS		1,264,148	-	1,264,148

Reconciliation of Equity - continued
30 April 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		7,206,949	-	7,206,949
CURRENT ASSETS				
Stocks		83,166	-	83,166
Debtors		435,974	-	435,974
Cash at bank and in hand		240,586	-	240,586
		759,726	-	759,726
CREDITORS				
Amounts falling due within one year		(1,601,173)	-	(1,601,173)
NET CURRENT LIABILITIES		(841,447)	-	(841,447)
TOTAL ASSETS LESS CURRENT LIABILITIES		6,365,502	-	6,365,502
CREDITORS				
Amounts falling due after more than one year		(4,953,632)	-	(4,953,632)
NET ASSETS		1,411,870	-	1,411,870
CAPITAL AND RESERVES				
Called up share capital		25,000	-	25,000
Retained earnings		1,386,870	-	1,386,870
SHAREHOLDERS' FUNDS		1,411,870	-	1,411,870

Reconciliation of Profit
for the Year Ended 30 April 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	3,453,783	-	3,453,783
Cost of sales	(629,343)	-	(629,343)
GROSS PROFIT	2,824,440	-	2,824,440
Administrative expenses	(2,517,071)	-	(2,517,071)
Other operating income	6,248	-	6,248
OPERATING PROFIT	313,617	-	313,617
Interest receivable and similar income	5	-	5
Interest payable and similar charges	(165,900)	-	(165,900)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	147,722	-	147,722
Tax on profit on ordinary activities	-	-	-
PROFIT FOR THE FINANCIAL YEAR	147,722	-	147,722