

Downs Holdings Limited

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 30 April 2017**

**“Registrar of Companies Copy”
Registered Number: 01325054**

WEDNESDAY



Downs Holdings Limited (Registered number: 01325054)

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for the Year Ended 30 April 2017

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Downs Holdings Limited
Company Information
for the Year Ended 30 April 2017

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
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Downs Holdings Limited

Strategic Report
for the Year Ended 30 April 2017

The directors present their strategic report for the year ended 30 April 2017.

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 improved slightly on last year, with the company achieving a profit before tax of £136,444 (2016: £123,103). 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 two years ago.

Post year end Judges Hotel was the recipient of the prestigious César award "Country House Hotel of the Year 2018" by the Good Hotel Guide.

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.


FINANCIAL INSTRUMENTS

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

Date: 13/12/17
.....

Downs Holdings Limited

Report of the Directors
for the Year Ended 30 April 2017

The directors present their report with the financial statements of the company for the year ended 30 April 2017.

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 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2016 to the date of this report.

Mrs A Downs
Mr S M Downs

DISCLOSURE IN THE STRATEGIC REPORT

The following items required to be disclosed in the Directors' Report are set out in the Strategic Report in accordance with s.414C(11) CA 200

Financial Instruments

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.

Downs Holdings Limited

Report of the Directors
for the Year Ended 30 April 2017

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

Date: 13/12/17

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 2017 on pages seven to twenty one. 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 2017 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, based on the work undertaken in the course of our audit, 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, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

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
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 13th December 2017

Downs Holdings Limited (Registered number: 01325054)

Statement of Comprehensive Income
for the Year Ended 30 April 2017

	Notes	2017 £	2016 £
TURNOVER	3	4,237,811	3,785,823
Cost of sales		<u>720,739</u>	<u>682,200</u>
GROSS PROFIT		3,517,072	3,103,623
Administrative expenses		<u>3,209,452</u>	<u>2,790,772</u>
		307,620	312,851
Other operating income		<u>7,781</u>	<u>2,154</u>
OPERATING PROFIT		315,401	315,005
Interest receivable and similar income		<u>3</u>	<u>5</u>
		315,404	315,010
Interest payable and similar expenses	5	<u>178,960</u>	<u>191,907</u>
PROFIT BEFORE TAXATION	6	136,444	123,103
Tax on profit	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		136,444	123,103
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>136,444</u>	<u>123,103</u>

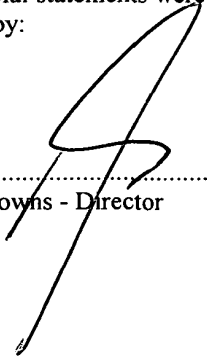
The notes form part of these financial statements

Downs Holdings Limited (Registered number: 01325054)

Statement of Financial Position
30 April 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	7,015,653	7,149,726
CURRENT ASSETS			
Stocks	10	78,863	82,227
Debtors	11	686,585	502,520
Cash at bank and in hand		417,994	240,968
		<u>1,183,442</u>	<u>825,715</u>
CREDITORS			
Amounts falling due within one year	12	<u>2,219,906</u>	<u>1,787,047</u>
NET CURRENT LIABILITIES		<u>(1,036,464)</u>	<u>(961,332)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,979,189</u>	<u>6,188,394</u>
CREDITORS			
Amounts falling due after more than one year	13	<u>4,307,772</u>	<u>4,653,421</u>
NET ASSETS		<u><u>1,671,417</u></u>	<u><u>1,534,973</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	25,000	25,000
Retained earnings	19	<u>1,646,417</u>	<u>1,509,973</u>
SHAREHOLDERS' FUNDS		<u><u>1,671,417</u></u>	<u><u>1,534,973</u></u>

The financial statements were approved by the Board of Directors on 13/12/17 and were signed on its behalf by:


.....
Mr S M Downs - Director

The notes form part of these financial statements

Downs Holdings Limited (Registered number: 01325054)

Statement of Changes in Equity
for the Year Ended 30 April 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 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
Changes in equity			
Total comprehensive income	-	136,444	136,444
Balance at 30 April 2017	25,000	1,646,417	1,671,417

The notes form part of these financial statements

Downs Holdings Limited (Registered number: 01325054)

Statement of Cash Flows
for the Year Ended 30 April 2017

		2017	2016
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	888,062	777,355
Interest paid		(178,960)	(191,907)
Tax paid		(25,165)	(30,876)
Net cash from operating activities		<u>683,937</u>	<u>554,572</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(59,191)	(136,082)
Interest received		3	5
Net cash from investing activities		<u>(59,188)</u>	<u>(136,077)</u>
Cash flows from financing activities			
New loans in year		44,000	-
Loan capital repayments		(404,690)	(434,994)
Hire purchase capital repayments		2,298	(5,279)
Amount introduced by directors		(8,974)	82,264
Amount withdrawn by directors		(80,357)	(60,104)
Net cash from financing activities		<u>(447,723)</u>	<u>(418,113)</u>
Increase in cash and cash equivalents		<u>177,026</u>	<u>382</u>
Cash and cash equivalents at beginning of year	2	240,968	240,586
Cash and cash equivalents at end of year	2	<u><u>417,994</u></u>	<u><u>240,968</u></u>

The notes form part of these financial statements

Downs Holdings Limited (Registered number: 01325054)

Notes to the Statement of Cash Flows
for the Year Ended 30 April 2017

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

	2017	2016
	£	£
Profit before taxation	136,444	123,103
Depreciation charges	193,264	193,158
Loss on disposal of fixed assets	-	147
Finance costs	178,960	191,907
Finance income	(3)	(5)
	508,665	508,310
Decrease in stocks	3,364	939
Increase in trade and other debtors	(42,512)	(50,103)
Increase in trade and other creditors	418,545	318,209
Cash generated from operations	888,062	777,355

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 2017

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	417,994	240,968

Year ended 30 April 2016

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

Downs Holdings Limited (Registered number: 01325054)

Notes to the Financial Statements
for the Year Ended 30 April 2017

1. STATUTORY INFORMATION

Downs Holdings 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 Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts in respect of the sale of goods and services.

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 stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

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 defined contribution pension schemes. 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.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

2. ACCOUNTING POLICIES - continued

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.

3. TURNOVER

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

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	1,830,534	1,489,594
Social security costs	125,527	87,727
Other pension costs	9,156	12,123
	<u>1,965,217</u>	<u>1,589,444</u>

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

	2017	2016
Directors	2	2
Hotel and catering	148	127
	<u>150</u>	<u>129</u>

	2017	2016
	£	£
Directors' remuneration	270,115	17,185
Directors' pension contributions to money purchase schemes	<u>5,420</u>	<u>5,420</u>

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

	2017	2016
Money purchase schemes	<u>1</u>	<u>1</u>

Information regarding the highest paid director for the year ended 30 April 2017 is as follows:

	2017
	£
Emoluments etc	270,115
Pension contributions to money purchase schemes	<u>5,420</u>

Downs Holdings Limited (Registered number: 01325054)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	153,030	165,674
Other interest	14,547	13,995
Pension fund loan interest	11,383	12,238
	<u>178,960</u>	<u>191,907</u>

6. PROFIT BEFORE TAXATION

The profit is stated after charging:

	2017	2016
	£	£
Hire of plant and machinery	19,958	18,765
Other operating leases	8,131	8,510
Depreciation - owned assets	187,897	186,893
Depreciation - assets on hire purchase contracts	5,367	6,265
Loss on disposal of fixed assets	-	147
Auditors remuneration	9,500	10,390
	<u>211,753</u>	<u>230,860</u>

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 April 2017 nor for the year ended 30 April 2016.

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:

	2017	2016
	£	£
Profit before tax	<u>136,444</u>	<u>123,103</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.918% (2016 - 20%)	27,177	24,621
Effects of:		
Expenses not deductible for tax purposes	56,707	-
Capital allowances in excess of depreciation	-	(193)
Depreciation in excess of capital allowances	15,426	-
Utilisation of tax losses offset against future year	(99,310)	(24,428)
	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

Tax losses carried forward at the balance sheet date amounted to £753,893 (2016 : £1,252,484).

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

8. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been recognised as follows:

- Reclassification of part of the Directors loan account in 2016 to other creditors.
- Reclassification of wedding deposits that are due more than 1 year.

The following adjustments have been made:

- Decrease Directors loan account £200,000
- Increase Other creditors £200,000
- Decrease payments received in advance within 1 year £117,692
- Increase payments received in advance over 1 year £117,692

9. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant, machinery, fixtures & fittings £
COST			
At 1 May 2016	9,855,097	5,040	2,473,159
Additions	-	-	59,191
At 30 April 2017	9,855,097	5,040	2,532,350
DEPRECIATION			
At 1 May 2016	3,477,972	50	1,734,583
Charge for year	65,160	5	119,336
At 30 April 2017	3,543,132	55	1,853,919
NET BOOK VALUE			
At 30 April 2017	6,311,965	4,985	678,431
At 30 April 2016	6,377,125	4,990	738,576
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2016	32,688	34,690	12,400,674
Additions	-	-	59,191
At 30 April 2017	32,688	34,690	12,459,865
DEPRECIATION			
At 1 May 2016	10,550	27,793	5,250,948
Charge for year	5,535	3,228	193,264
At 30 April 2017	16,085	31,021	5,444,212
NET BOOK VALUE			
At 30 April 2017	16,603	3,669	7,015,653
At 30 April 2016	22,138	6,897	7,149,726

Downs Holdings Limited (Registered number: 01325054)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

9. TANGIBLE FIXED ASSETS - continued

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 13)

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

	Plant, machinery, fixtures & fittings £	Motor vehicles £	Totals £
COST			
At 1 May 2016	-	27,338	27,338
Additions	8,915	-	8,915
	<hr/>	<hr/>	<hr/>
At 30 April 2017	8,915	27,338	36,253
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 May 2016	-	8,543	8,543
Charge for year	668	4,699	5,367
	<hr/>	<hr/>	<hr/>
At 30 April 2017	668	13,242	13,910
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 April 2017	8,247	14,096	22,343
	<hr/>	<hr/>	<hr/>
At 30 April 2016	-	18,795	18,795
	<hr/>	<hr/>	<hr/>

10. STOCKS

	2017 £	2016 £
Goods for resale	78,863	82,227
	<hr/>	<hr/>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	45,797	59,017
Other debtors	252,967	183,880
Directors' current accounts	210,047	120,716
Taxation recoverable	133,755	81,533
Prepayments and accrued income	44,019	57,374
	<hr/>	<hr/>
	686,585	502,520
	<hr/>	<hr/>

Downs Holdings Limited (Registered number: 01325054)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 14)	226,942	233,297
Other loans (see note 14)	170,956	171,336
Hire purchase contracts (see note 15)	5,302	5,279
Trade creditors	146,324	172,385
Taxation	65,660	38,603
Social security and other taxes	20,129	21,068
Other creditors	398,009	384,900
Payment received on account	504,781	394,943
Accrued expenses	681,803	365,236
	<u>2,219,906</u>	<u>1,787,047</u>

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

	2017	2016
	£	£
Bank loans (see note 14)	3,912,203	4,095,145
Other loans (see note 14)	266,051	437,064
Hire purchase contracts (see note 15)	5,795	3,520
Payment received on account	123,723	117,692
	<u>4,307,772</u>	<u>4,653,421</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank loans - less than 1 yr	226,942	233,297
Other loans - less than 1 yr	170,956	171,336
	<u>397,898</u>	<u>404,633</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	226,942	226,942
Other loans - 1-2 years	148,200	171,013
	<u>375,142</u>	<u>397,955</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	3,685,261	3,868,203
Other loans - 2-5 years	117,851	266,051
	<u>3,803,112</u>	<u>4,134,254</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

14. LOANS - continued

The bank loans were restructured during the year. The loan is on a 4 year term commencing 11 July 2016. Interest is charged at LIBOR plus 3.15%. The loan is repayable by way of 12 equal, quarterly annual instalments and a final payment on the maturity date of 84.201% of the amount borrowed.

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%.

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	5,302	5,279
Between one and five years	5,795	3,520
	11,097	8,799
	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	20,388	20,388
Between one and five years	35,352	46,172
	55,740	66,560

16. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank loans	4,139,145	4,328,442
Hire purchase contracts	11,097	8,799
Other loans	437,007	608,400
	4,587,249	4,945,641

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.

Downs Holdings Limited (Registered number: 01325054)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

17. FINANCIAL INSTRUMENTS

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

	2017 £	2016 £
Financial liabilities		
Measured at amortised cost		
- Bank loans (see note 14)	4,139,145	4,328,442
- Other loans (see note 14)	437,007	608,400
- Hire purchase contracts (see note 15)	11,097	8,799
- Payment received in advance (see note 12-13)	628,504	512,635
	<u>5,574,145</u>	<u>5,458,276</u>

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

	2017 £	2016 £
Total interest expense for financial liabilities at amortised cost	<u>178,960</u>	<u>191,907</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
25,000	Ordinary	£1	<u>25,000</u>	<u>25,000</u>

19. RESERVES

	Retained earnings £
At 1 May 2016	1,509,973
Profit for the year	<u>136,444</u>
At 30 April 2017	<u>1,646,417</u>

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

20. 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 £9,156 (2016 - £12,123). Contributions outstanding at the year end amounted to £1,357 (2016: £1,157)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2017

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to the directors subsisted during the years ended 30 April 2017 and 30 April 2016:

	2017	2016
	£	£
Balance outstanding at start of year	120,716	142,875
Amounts advanced	89,331	60,104
Amounts repaid	-	(82,263)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>210,047</u>	<u>120,716</u>

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

22. 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.

One loan has a balance of £22,756 outstanding at the year end (2016: £45,949) with interest of £1,187 being charged in the year (2016: £2,042)

The other loan has a balance of £297,000 outstanding at the year end (2016: £405,000) with interest of £10,196 being charged in the year (2016: £10,196)

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 £251,837 (2016: £182,750) 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.

At the balance sheet date, included in other creditors is an amount owed to a director of £189,622 (2016: £197,733). 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 £275,535 (2016: £22,605), being remuneration disclosed in note 4.

23. CONTROL RELATIONSHIP

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