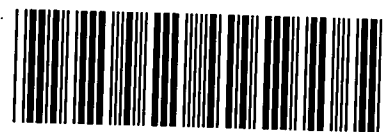


## **Downs Holdings Limited**

Strategic Report, Report of the Directors and  
Financial Statements  
for the Year Ended 30 April 2014

“Registrar of Companies Copy”  
Registered No: 01325054

THURSDAY



\*A3K3NLM3\*  
A20 06/11/2014 #262  
COMPANIES HOUSE

**Downs Holdings Limited**

**Contents of the Financial Statements**  
**for the Year Ended 30 April 2014**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Cash Flow Statement</b>	<b>8</b>
<b>Notes to the Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

**Downs Holdings Limited**  
**Company Information**  
**for the Year Ended 30 April 2014**

**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

**Downs Holdings Limited**  
**Strategic Report**  
**for the Year Ended 30 April 2014**

The directors present their strategic report for the year ended 30 April 2014.

**REVIEW OF BUSINESS**

During the year the company has continued to operate its two hotels to the same exacting standards set in prior years. Whilst results have shown an operating improvement on last year, with the company achieving a profit before tax (excluding exceptional items per note 4) of £25,383, compared to a loss before tax and exceptional items of £97,933 in the previous year, activity at both hotels continues to be suppressed compared to historical results due to the general economic climate. 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 year that both the corporate and public's depressed attitude to discretionary spending last year is now improving.

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

Future developments for the company include a major development of the spa facilities at Gomersal Park Hotel with the work expected to commence in late 2014.

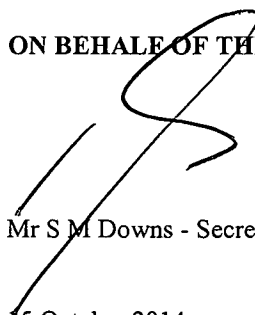
**PRINCIPAL RISKS AND UNCERTAINTIES**

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.

**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

15 October 2014

**Downs Holdings Limited**

**Report of the Directors**  
**for the Year Ended 30 April 2014**

The directors present their report with the financial statements of the company for the year ended 30 April 2014.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 April 2014.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2013 to the date of this report.

Mrs A Downs  
Mr S M Downs

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). 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.

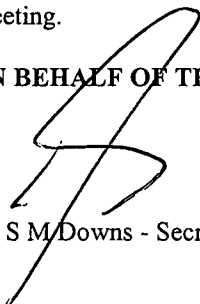
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

15 October 2014

**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 2014 on pages six to nineteen. 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).

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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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

15 October 2014

**Downs Holdings Limited**

**Profit and Loss Account**  
**for the Year Ended 30 April 2014**

	Notes	2014 £	2013 £
<b>TURNOVER</b>		<b>3,243,438</b>	<b>3,097,104</b>
Cost of sales		<u>654,254</u>	<u>611,512</u>
<b>GROSS PROFIT</b>		<b>2,589,184</b>	<b>2,485,592</b>
Administrative expenses		<b>2,418,709</b>	<b>2,401,918</b>
Exceptional item	3	<u>(218,499)</u>	<u>2,019,706</u>
		<b>388,974</b>	<b>(1,936,032)</b>
Other operating income		<u>5,360</u>	<u>4,279</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	<b>394,334</b>	<b>(1,931,753)</b>
Interest receivable and similar income		<u>5</u>	<u>6</u>
		<b>394,339</b>	<b>(1,931,747)</b>
Interest payable and similar charges	5	<b>150,457</b>	<b>185,892</b>
Exceptional item	3	<u>497,000</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(253,118)</b>	<b>(2,117,639)</b>
Tax on loss on ordinary activities	6	<u>-</u>	<u>1</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(253,118)</u></b>	<b><u>(2,117,640)</u></b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year.



**Downs Holdings Limited (Registered number: 01325054)****Balance Sheet**  
**30 April 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	7	6,153,752	5,818,297
<b>CURRENT ASSETS</b>			
Stocks	8	86,663	77,127
Debtors	9	328,133	127,335
Cash at bank and in hand		<u>276,389</u>	<u>639,047</u>
		691,185	843,509
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>1,419,267</u>	<u>1,249,762</u>
<b>NET CURRENT LIABILITIES</b>		<u>(728,082)</u>	<u>(406,253)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,425,670	5,412,044
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	<u>4,161,522</u>	<u>3,894,778</u>
<b>NET ASSETS</b>		<u>1,264,148</u>	<u>1,517,266</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	25,000	25,000
Profit and loss account	16	<u>1,239,148</u>	<u>1,492,266</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u>1,264,148</u>	<u>1,517,266</u>

The financial statements were approved by the Board of Directors on 15 October 2014 and were signed on its behalf by:



Mr S M Downs - Director

**Downs Holdings Limited**

**Cash Flow Statement**  
**for the Year Ended 30 April 2014**

	Notes	2014 £	2013 £
Net cash inflow from operating activities	1	354,639	302,946
Returns on investments and servicing of finance	2	(647,452)	(185,886)
Taxation		(12,271)	-
Capital expenditure	2	(252,827)	(98,590)
		(557,911)	18,470
Financing	2	195,253	(97,487)
Decrease in cash in the period		(362,658)	(79,017)
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(362,658)	(79,017)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(257,892)	61,888
Change in net debt resulting from cash flows		(620,550)	(17,129)
New finance leases		-	(11,952)
Movement in net debt in the period		(620,550)	(29,081)
Net debt at 1 May		(3,540,587)	(3,511,506)
Net debt at 30 April		(4,161,137)	(3,540,587)

The notes form part of these financial statements

**Downs Holdings Limited**

**Notes to the Cash Flow Statement**  
**for the Year Ended 30 April 2014**

**1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit/(loss)	394,334	(1,931,753)
Depreciation charges	135,850	143,740
Loss on disposal of fixed assets	21	1,730
Impairment loss on freehold property	-	2,019,706
Reversal of impairment loss on fhold	(218,499)	-
Increase in stocks	(9,536)	(7,161)
(Increase)/decrease in debtors	(107,215)	35,556
Increase in creditors	<u>159,684</u>	<u>41,128</u>
<b>Net cash inflow from operating activities</b>	<b><u>354,639</u></b>	<b><u>302,946</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	5	6
Interest paid	<u>(647,457)</u>	<u>(185,892)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(647,452)</u></b>	<b><u>(185,886)</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(252,827)	(107,562)
Sale of tangible fixed assets	<u>-</u>	<u>8,972</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(252,827)</u></b>	<b><u>(98,590)</u></b>
<b>Financing</b>		
New loans in year	450,000	-
Loan capital repayments	(188,124)	(57,761)
Hire purchase capital repayments	(3,984)	(4,128)
Amount introduced by directors	6,728	4,262
Amount withdrawn by directors	<u>(69,367)</u>	<u>(39,860)</u>
<b>Net cash inflow/(outflow) from financing</b>	<b><u>195,253</u></b>	<b><u>(97,487)</u></b>

**Downs Holdings Limited**

**Notes to the Cash Flow Statement**  
**for the Year Ended 30 April 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.13 £	Cash flow £	At 30.4.14 £
Net cash:			
Cash at bank and in hand	<u>639,047</u>	<u>(362,658)</u>	<u>276,389</u>
	<u>639,047</u>	<u>(362,658)</u>	<u>276,389</u>
Debt:			
Hire purchase	(8,300)	3,984	(4,316)
Debts falling due within one year	(280,872)	8,852	(272,020)
Debts falling due after one year	<u>(3,890,462)</u>	<u>(270,728)</u>	<u>(4,161,190)</u>
	<u>(4,179,634)</u>	<u>(257,892)</u>	<u>(4,437,526)</u>
Total	<u>(3,540,587)</u>	<u>(620,550)</u>	<u>(4,161,137)</u>

## **Downs Holdings Limited**

### **Notes to the Financial Statements** **for the Year Ended 30 April 2014**

#### **1. ACCOUNTING POLICIES**

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

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

##### **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
Fixtures and 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 and in accordance with Financial Reporting Standard 15.

##### **Stocks**

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

##### **Deferred tax**

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

##### **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 the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account 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.

**Downs Holdings Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2014**

**2. STAFF COSTS**

	2014	2013
	£	£
Wages and salaries	1,332,673	1,293,596
Social security costs	88,277	91,169
Other pension costs	<u>10,219</u>	<u>10,219</u>
	<u><u>1,431,169</u></u>	<u><u>1,394,984</u></u>

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

	2014	2013
Administration	11	11
Hotel and catering	118	104
Directors	<u>2</u>	<u>2</u>
	<u><u>131</u></u>	<u><u>117</u></u>

**3. EXCEPTIONAL ITEMS**

During the year the company settled an interest rate swap agreement early and incurred £497,000 breakage costs. These have been included within interest payable and similar charges within the profit and loss account.

During the previous year a valuation was obtained of the freehold properties owned by the company. This valuation indicated that the carrying value of one of those properties was in excess of its recoverable amount and therefore in accordance with FRS 11 this asset was written down to its then estimated recoverable amount of £3,200,000. This resulted in an impairment loss of £2,019,706 which was included within administrative expenses in the profit and loss account for the year ended 30th April 2013.

During the current year a further valuation was obtained of the freehold properties owned by the company. This valuation indicated that £218,499 of the impairment accounted for in the prior year has reversed. This reversal of impairment loss has been included as an exceptional item within administrative expenses in the profit and loss account.

**4. OPERATING PROFIT/(LOSS)**

The operating profit (2013 - operating loss) is stated after charging:

	2014	2013
	£	£
Other operating leases	5,014	4,595
Depreciation - owned assets	132,198	138,870
Depreciation - assets on hire purchase contracts	3,652	4,869
Loss on disposal of fixed assets	21	1,730
Auditors remuneration	<u>9,000</u>	<u>8,500</u>
Directors' remuneration	44,231	57,836
Directors' pension contributions to money purchase schemes	<u>6,020</u>	<u>6,020</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

**Downs Holdings Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2014**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
Bank interest	144,026	175,904
Pension fund loan interest	6,431	9,787
PAYE interest	-	201
Interest rate swap breakage fees	497,000	-
	<u>647,457</u>	<u>185,892</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	-	1
Tax on loss on ordinary activities	-	1

**Factors affecting the tax charge**

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

	2014	2013
	£	£
Loss on ordinary activities before tax	<u>(253,118)</u>	<u>(2,117,639)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	(50,624)	(423,528)
Effects of:		
Income not taxable for tax purposes	-	346
Capital allowances in excess of depreciation	(29,190)	-
Depreciation in excess of capital allowances	-	643
Losses carried forward to be offset against future year trading profits	107,582	(4,162)
Impairment loss not allowable for tax purposes	-	403,942
Impairment reversal not taxable	(43,700)	-
Timing differences for tax purposes	<u>15,932</u>	<u>22,760</u>
Current tax charge	<u>-</u>	<u>1</u>

**Factors that may affect future tax charges**

In the opinion of the directors the company has no intention of disposing of the freehold properties in the foreseeable future. As a consequence no deferred tax has been provided on rolled over capital gains arising on disposals of freehold property in earlier years. The maximum amount unprovided amounts to £220,000 calculated at a standard corporation tax rate of 20%.

Unrelieved losses of £1,084,113 are carried forward and are available to reduce the tax liability in respect of future profits.

**Downs Holdings Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2014**

**7. TANGIBLE FIXED ASSETS**

	Freehold property £	Long- leasehold £	Fixtures and fittings £
<b>COST</b>			
At 1 May 2013	8,914,225	5,040	2,160,484
Additions	9,295	-	242,587
Disposals	-	-	(245,880)
At 30 April 2014	<u>8,923,520</u>	<u>5,040</u>	<u>2,157,191</u>
<b>DEPRECIATION</b>			
At 1 May 2013	3,518,924	35	1,765,277
Charge for year	56,315	5	72,710
Eliminated on disposal	-	-	(245,859)
Reversal of impairments	(218,499)	-	-
At 30 April 2014	<u>3,356,740</u>	<u>40</u>	<u>1,592,128</u>
<b>NET BOOK VALUE</b>			
At 30 April 2014	<u>5,566,780</u>	<u>5,000</u>	<u>565,063</u>
At 30 April 2013	<u>5,395,301</u>	<u>5,005</u>	<u>395,207</u>
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 May 2013	19,476	26,193	11,125,418
Additions	-	945	252,827
Disposals	-	-	(245,880)
At 30 April 2014	<u>19,476</u>	<u>27,138</u>	<u>11,132,365</u>
<b>DEPRECIATION</b>			
At 1 May 2013	4,869	18,016	5,307,121
Charge for year	3,652	3,168	135,850
Eliminated on disposal	-	-	(245,859)
Reversal of impairments	-	-	(218,499)
At 30 April 2014	<u>8,521</u>	<u>21,184</u>	<u>4,978,613</u>
<b>NET BOOK VALUE</b>			
At 30 April 2014	<u>10,955</u>	<u>5,954</u>	<u>6,153,752</u>
At 30 April 2013	<u>14,607</u>	<u>8,177</u>	<u>5,818,297</u>

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.



**Downs Holdings Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2014**

**7. TANGIBLE FIXED ASSETS - continued**

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

	Motor vehicles £
<b>COST</b>	
At 1 May 2013	
and 30 April 2014	<u>19,476</u>
<b>DEPRECIATION</b>	
At 1 May 2013	4,869
Charge for year	<u>3,652</u>
At 30 April 2014	<u>8,521</u>
<b>NET BOOK VALUE</b>	
At 30 April 2014	<u>10,955</u>
At 30 April 2013	<u>14,607</u>

**8. STOCKS**

	2014 £	2013 £
Goods for resale	<u>86,663</u>	<u>77,127</u>

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade debtors	59,432	33,767
Other debtors	86,130	26,130
Directors' current accounts	86,716	24,077
Taxation recoverable	43,213	12,269
Prepayments and accrued income	<u>52,642</u>	<u>31,092</u>
	<u>328,133</u>	<u>127,335</u>

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

	2014 £	2013 £
Bank loans and overdrafts (see note 12)	230,073	219,780
Other loans (see note 12)	41,947	61,092
Hire purchase contracts (see note 13)	3,984	3,984
Trade creditors	124,957	118,596
Taxation	30,943	12,270
Social security and other taxes	21,105	19,796
Other creditors	150,834	127,846
Payment received on account	480,900	447,467
Accrued expenses	<u>334,524</u>	<u>238,931</u>
	<u>1,419,267</u>	<u>1,249,762</u>

**Downs Holdings Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2014**

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

	2014	2013
	£	£
Bank loans (see note 12)	4,092,897	3,780,220
Other loans (see note 12)	68,293	110,242
Hire purchase contracts (see note 13)	<u>332</u>	<u>4,316</u>
	<u><u>4,161,522</u></u>	<u><u>3,894,778</u></u>

**12. LOANS**

An analysis of the maturity of loans is given below:

	2014	2013
	£	£
Amounts falling due within one year or on demand:		
Bank loans - less than 1 yr	230,073	219,780
Other loans - less than 1 yr	<u>41,947</u>	<u>61,092</u>
	<u><u>272,020</u></u>	<u><u>280,872</u></u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	231,534	263,736
Other loans - 1-2 years	<u>22,344</u>	<u>41,947</u>
	<u><u>253,878</u></u>	<u><u>305,683</u></u>

Amounts falling due between two and five years:

Bank loans - 2-5 years	1,021,203	791,208
Other loans - 2-5 years	<u>45,949</u>	<u>68,295</u>
	<u><u>1,067,152</u></u>	<u><u>859,503</u></u>

Amounts falling due in more than five years:

Repayable by instalments

Bank loans more than 5 years by instalments	<u><u>2,840,160</u></u>	<u><u>2,725,276</u></u>
---	-------------------------	-------------------------

The bank loan liability is split into three separate loans of £800,000, £3,200,000 and £450,000. Both the £800,000 and £3,200,000 where on an interest only basis for a 5 year term commencing on 10 June 2008. The capital elements of the loans are repayable by equal instalments over a 15 year term commencing from July 2013. Interest on the £800,000 loan is charged at a rate of 1.25% over base lending rate for the full term of the loan. Interest on the £3,200,000 element is charged at 1.25% over LIBOR for the full term of the loan.

The £450,000 loan 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 the £450,000 is being charged at 3.15% over LIBOR for the full term of the loan.

The pension fund loan liability is split into two separate loans, the first being repayable by equal monthly instalments over 10 years at an interest rate of 7.75% and the second being repayable in equal monthly instalments over 15 years at an interest rate of base plus 3%.

**Downs Holdings Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2014**

**13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	<b>Hire purchase contracts</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>3,984</b>	<b>3,984</b>
Between one and five years	<b><u>332</u></b>	<b><u>4,316</u></b>
	<b><u>4,316</u></b>	<b><u>8,300</u></b>

The following operating lease payments are committed to be paid within one year:

	<b>Other operating leases</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Expiring:		
Within one year	-	2,056
Between one and five years	<b><u>7,344</u></b>	<b><u>3,712</u></b>
	<b><u>7,344</u></b>	<b><u>5,768</u></b>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>4,322,970</b>	<b>4,000,000</b>
Hire purchase contracts	<b><u>4,316</u></b>	<b><u>8,300</u></b>
	<b><u>4,327,286</u></b>	<b><u>4,008,300</u></b>

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

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			<b>2014</b>	<b>2013</b>
Number:	Class:	Nominal value:	<b>£</b>	<b>£</b>
25,000	Ordinary	£1	<b><u>25,000</u></b>	<b><u>25,000</u></b>

**Downs Holdings Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2014**

**16. RESERVES**

	<b>Profit and loss account £</b>
At 1 May 2013	<b>1,492,266</b>
Deficit for the year	<b><u>(253,118)</u></b>
At 30 April 2014	<b><u>1,239,148</u></b>

**17. 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 £10,219 (2013 - £10,219).

**18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 30 April 2014 and 30 April 2013:

	<b>2014 £</b>	<b>2013 £</b>
<b>Mr S M Downs</b>		
Balance outstanding at start of year	<b>21,538</b>	-
Amounts advanced	<b>60,759</b>	25,800
Amounts repaid	<b>(5,704)</b>	(4,262)
Balance outstanding at end of year	<b><u>76,593</u></b>	<b><u>21,538</u></b>
 <b>Mrs A Downs</b>		
Balance outstanding at start of year	<b>2,539</b>	-
Amounts advanced	<b>7,634</b>	2,539
Amounts repaid	<b>(50)</b>	-
Balance outstanding at end of year	<b><u>10,123</u></b>	<b><u>2,539</u></b>

The loans to the directors are interest free.

**19. RELATED PARTY DISCLOSURES**

The pension fund loans are with the Downs Holdings Limited Self Administered Pension Fund. Both directors and a number of shareholders are members of this fund. 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 £85,000 to Mrs S Downs, the wife of Mr SM Downs, a Director of the company. There are no fixed repayment terms and the loan is interest free.

**Downs Holdings Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 April 2014**

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<b><u>(253,118)</u></b>	<b><u>(2,117,640)</u></b>
Net reduction of shareholders' funds	<b>(253,118)</b>	<b>(2,117,640)</b>
Opening shareholders' funds	<b><u>1,517,266</u></b>	<b><u>3,634,906</u></b>
Closing shareholders' funds	<b><u>1,264,148</u></b>	<b><u>1,517,266</u></b>

**21. CONTROL RELATIONSHIP**

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