

REGISTERED NUMBER: 01325054 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 30 April 2018

for

Downs Holdings Limited

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for the Year Ended 30 April 2018

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Downs Holdings Limited
Company Information
for the Year Ended 30 April 2018

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

Strategic Report
for the Year Ended 30 April 2018

The directors present their strategic report for the year ended 30 April 2018.

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 turnover has decreased slightly compared to the previous year, results have improved slightly with the company achieving a profit before tax of £184,499 (2017: £136,444). 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 three years ago.

During the year 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

21 January 2019

Report of the Directors
for the Year Ended 30 April 2018

The directors present their report with the financial statements of the company for the year ended 30 April 2018.

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 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2017 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.

ON BEHALF OF THE BOARD:

Mr S M Downs - Secretary

21 January 2019

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

Opinion

We have audited the financial statements of Downs Holdings Limited (the 'company') for the year ended 30 April 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

21 January 2019

Downs Holdings Limited (Registered number: 01325054)

Statement of Comprehensive Income
for the Year Ended 30 April 2018

	Notes	2018 £	2017 £
TURNOVER	3	4,092,423	4,237,811
Cost of sales		<u>718,278</u>	<u>720,739</u>
GROSS PROFIT		3,374,145	3,517,072
Administrative expenses		<u>3,039,677</u>	<u>3,209,452</u>
		334,468	307,620
Other operating income		<u>16,348</u>	<u>7,781</u>
OPERATING PROFIT		350,816	315,401
Interest receivable and similar income		<u>-</u>	<u>3</u>
		350,816	315,404
Interest payable and similar expenses	5	<u>166,317</u>	<u>178,960</u>
PROFIT BEFORE TAXATION	6	184,499	136,444
Tax on profit	7	<u>58,000</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		126,499	136,444
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>126,499</u>	<u>136,444</u>

The notes form part of these financial statements

Downs Holdings Limited (Registered number: 01325054)

Statement of Financial Position
30 April 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	8		6,899,809		7,015,653
CURRENT ASSETS					
Stocks	9	88,078		78,863	
Debtors	10	790,145		686,585	
Cash at bank and in hand		<u>131,106</u>		<u>417,994</u>	
		1,009,329		1,183,442	
CREDITORS					
Amounts falling due within one year	11	<u>1,921,588</u>		<u>2,219,906</u>	
NET CURRENT LIABILITIES			<u>(912,259)</u>		<u>(1,036,464)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,987,550		5,979,189
CREDITORS					
Amounts falling due after more than one year	12		(4,131,634)		(4,307,772)
PROVISIONS FOR LIABILITIES	17		<u>(58,000)</u>		<u>-</u>
NET ASSETS			<u>1,797,916</u>		<u>1,671,417</u>
CAPITAL AND RESERVES					
Called up share capital	18		25,000		25,000
Retained earnings	19		<u>1,772,916</u>		<u>1,646,417</u>
SHAREHOLDERS' FUNDS			<u>1,797,916</u>		<u>1,671,417</u>

The financial statements were approved by the Board of Directors on 21 January 2019 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 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2016	25,000	1,509,973	1,534,973
Changes in equity			
Total comprehensive income	-	136,444	136,444
Balance at 30 April 2017	<u>25,000</u>	<u>1,646,417</u>	<u>1,671,417</u>
Changes in equity			
Total comprehensive income	-	126,499	126,499
Balance at 30 April 2018	<u>25,000</u>	<u>1,772,916</u>	<u>1,797,916</u>

The notes form part of these financial statements

Downs Holdings Limited (Registered number: 01325054)

Statement of Cash Flows
for the Year Ended 30 April 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	232,547	888,062
Interest paid		(166,317)	(178,960)
Tax paid		(13,437)	(25,165)
Net cash from operating activities		<u>52,793</u>	<u>683,937</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(72,929)	(59,191)
Interest received		-	3
Net cash from investing activities		<u>(72,929)</u>	<u>(59,188)</u>
Cash flows from financing activities			
New loans in year		350,000	44,000
Loan capital repayments		(600,989)	(404,690)
New hire purchase in year		-	8,915
Hire purchase capital repayments		(5,917)	(6,614)
Amount withdrawn by directors		(9,846)	(89,334)
Net cash from financing activities		<u>(266,752)</u>	<u>(447,723)</u>
(Decrease)/increase in cash and cash equivalents		<u>(286,888)</u>	<u>177,026</u>
Cash and cash equivalents at beginning of year	2	417,994	240,968
Cash and cash equivalents at end of year	2	<u>131,106</u>	<u>417,994</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 30 April 2018

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

	2018	2017
	£	£
Profit before taxation	184,499	136,444
Depreciation charges	188,773	193,264
Finance costs	166,317	178,960
Finance income	-	(3)
	<u>539,589</u>	<u>508,665</u>
(Increase)/decrease in stocks	(9,215)	3,364
Increase in trade and other debtors	(90,433)	(42,512)
(Decrease)/increase in trade and other creditors	<u>(207,394)</u>	<u>418,545</u>
Cash generated from operations	<u>232,547</u>	<u>888,062</u>

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 2018

	30.4.18	1.5.17
	£	£
Cash and cash equivalents	<u>131,106</u>	<u>417,994</u>

Year ended 30 April 2017

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	<u>417,994</u>	<u>240,968</u>

Notes to the Financial Statements
for the Year Ended 30 April 2018

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 2018

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 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.

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 2018

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

	2018	2017
	£	£
Wages and salaries	1,684,631	1,830,534
Social security costs	80,861	125,527
Other pension costs	10,165	9,156
	<u>1,775,657</u>	<u>1,965,217</u>

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

	2018	2017
Directors	2	2
Hotel and catering	149	148
	<u>151</u>	<u>150</u>

	2018	2017
	£	£
Directors' remuneration	76,938	270,115
Directors' pension contributions to money purchase schemes	<u>5,682</u>	<u>5,420</u>

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

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

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	151,806	153,030
Other interest	12,689	14,547
Pension fund loan interest	1,710	11,383
Corporation tax interest	112	-
	<u>166,317</u>	<u>178,960</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

6. PROFIT BEFORE TAXATION

The profit is stated after charging:

	2018	2017
	£	£
Hire of plant and machinery	19,771	19,958
Other operating leases	10,715	8,131
Depreciation - owned assets	184,358	187,897
Depreciation - assets on hire purchase contracts	4,415	5,367
Auditors remuneration	<u>9,750</u>	<u>9,500</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Deferred taxation	<u>58,000</u>	-
Tax on profit	<u>58,000</u>	<u>-</u>

Reconciliation of total tax charge included in profit and loss

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

	2018	2017
	£	£
Profit before tax	<u>184,499</u>	<u>136,444</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.918%)	35,055	27,177
Effects of:		
Expenses not deductible for tax purposes	370	11,994
Depreciation in excess of capital allowances	80,107	-
Utilisation of tax losses	(57,532)	-
Other adjustments	-	(39,171)
Total tax charge	<u>58,000</u>	<u>-</u>

Tax losses carried forward at the balance sheet date amounted to £539,931 (2017 - £842,729).

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

8. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant, machinery, fixtures & fittings £
COST			
At 1 May 2017	9,855,097	5,040	2,532,350
Additions	47,145	-	24,854
At 30 April 2018	9,902,242	5,040	2,557,204
DEPRECIATION			
At 1 May 2017	3,543,132	55	1,853,919
Charge for year	65,238	5	117,373
At 30 April 2018	3,608,370	60	1,971,292
NET BOOK VALUE			
At 30 April 2018	6,293,872	4,980	585,912
At 30 April 2017	6,311,965	4,985	678,431
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2017	32,688	34,690	12,459,865
Additions	-	930	72,929
At 30 April 2018	32,688	35,620	12,532,794
DEPRECIATION			
At 1 May 2017	16,085	31,021	5,444,212
Charge for year	4,151	2,006	188,773
At 30 April 2018	20,236	33,027	5,632,985
NET BOOK VALUE			
At 30 April 2018	12,452	2,593	6,899,809
At 30 April 2017	16,603	3,669	7,015,653

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).

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

8. **TANGIBLE FIXED ASSETS - continued**

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 2017	8,915	27,338	36,253
Transfer to ownership	-	(27,338)	(27,338)
At 30 April 2018	<u>8,915</u>	<u>-</u>	<u>8,915</u>
DEPRECIATION			
At 1 May 2017	668	13,242	13,910
Charge for year	891	3,524	4,415
Transfer to ownership	-	(16,766)	(16,766)
At 30 April 2018	<u>1,559</u>	<u>-</u>	<u>1,559</u>
NET BOOK VALUE			
At 30 April 2018	<u>7,356</u>	<u>-</u>	<u>7,356</u>
At 30 April 2017	<u>8,247</u>	<u>14,096</u>	<u>22,343</u>

9. **STOCKS**

	2018 £	2017 £
Goods for resale	<u>88,078</u>	<u>78,863</u>

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

	2018 £	2017 £
Trade debtors	140,254	45,797
Other debtors	252,967	252,967
Directors' current accounts	219,893	210,047
Taxation recoverable	137,036	133,755
Prepayments and accrued income	39,995	44,019
	<u>790,145</u>	<u>686,585</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2018**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 13)	245,730	226,942
Other loans (see note 13)	40,200	170,956
Hire purchase contracts (see note 14)	5,180	5,302
Trade creditors	141,311	146,324
Taxation	55,504	65,660
Social security and other taxes	36,870	20,129
Other creditors	352,836	398,009
Payment received on account	455,426	504,781
Accrued expenses	588,531	681,803
	<u>1,921,588</u>	<u>2,219,906</u>

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

	2018	2017
	£	£
Bank loans (see note 13)	4,002,383	3,912,203
Other loans (see note 13)	36,850	266,051
Hire purchase contracts (see note 14)	-	5,795
Payment received on account	92,401	123,723
	<u>4,131,634</u>	<u>4,307,772</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank loans - less than 1 yr	245,730	226,942
Other loans - less than 1 yr	40,200	170,956
	<u>285,930</u>	<u>397,898</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	3,704,048	226,942
Other loans - 1-2 years	36,850	148,200
	<u>3,740,898</u>	<u>375,142</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	298,335	3,685,261
Other loans - 2-5 years	-	117,851
	<u>298,335</u>	<u>3,803,112</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

13. LOANS - continued

The bank loan is on a 3 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 repayable in equal monthly instalments, commencing in April 2015, over 5 years at an interest rate of 3.0%.

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	5,180	5,302
Between one and five years	-	5,795
	<u>5,180</u>	<u>11,097</u>
	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	18,919	20,388
Between one and five years	16,433	35,352
	<u>35,352</u>	<u>55,740</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank loans	4,248,113	4,139,145
Hire purchase contracts	5,180	11,097
Other loans	77,050	437,007
	<u>4,330,343</u>	<u>4,587,249</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 loan disclosed above is 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.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

16. FINANCIAL INSTRUMENTS

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

	2018	2017
£		
Financial liabilities		
Measured at amortised cost		
- Bank loans (see note 14)	4,248,113	4,139,145
- Other loans (see note 14)	77,050	437,007
- Hire purchase contracts (see note 15)	5,180	11,097
- Payment received in advance (see note 12-13)	547,827	628,504
	<u>4,878,170</u>	<u>5,574,145</u>

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

	2018	2017
£		
Total interest expense for financial liabilities at amortised cost	<u>166,205</u>	<u>178,960</u>

17. PROVISIONS FOR LIABILITIES

	2018	2017
£		
Deferred tax		
Accelerated capital allowances	150,000	160,000
Tax losses carried forward	(92,000)	(160,000)
	<u>58,000</u>	<u>-</u>
		Deferred tax
		£
Charge to Statement of Comprehensive Income during year		58,000
Accelerated capital allowances		
Trading losses adjustment		
Balance at 30 April 2018		<u>58,000</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2018	2017
			£	£
25,000	Ordinary	£1	<u>25,000</u>	<u>25,000</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

19. RESERVES

	Retained earnings £
At 1 May 2017	1,646,417
Profit for the year	126,499
At 30 April 2018	<u>1,772,916</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 as they accrue. The charge for the year amounted to £10,165 (2017 - £9,156). Contributions outstanding at the year end amounted to £2,675 (2017 - £1,357).

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to the directors subsisted during the years ended 30 April 2018 and 30 April 2017:

	2018 £	2017 £
Balance outstanding at start of year	210,047	120,716
Amounts advanced	9,846	89,331
Amounts repaid	-	-
Balance outstanding at end of year	<u>219,893</u>	<u>210,047</u>

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

22. RELATED PARTY DISCLOSURES

Included within other loans are two loans with the Downs Holdings Limited Self Administered Pension Fund. Both directors and a number of shareholders are members of this fund. During the year repayments were made leaving a balance remaining of £Nil (2017 - £319,756). Interest charged during the year amounted to £1,710 (2017 - £12,238).

At the year end, included in other debtors is an employee loan of £251,837 (2017 - £251,837) 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 £82,620 (2017 - £275,535), being remuneration disclosed in note 4.

23. CONTROL RELATIONSHIP

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

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