Company Registration No. NI019775 (Northern Ireland)

BUSHMILLS HOTELS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

BUSHMILLS HOTELS LIMITED

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BUSHMILLS HOTELS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets			**2,769,930**		2,827,186
Current assets					
Stocks		**59,014**		59,496	
Debtors		**71,768**		65,239	
Cash at bank and in hand		**578,066**		490,398	
		708,848		615,133	
Creditors: amounts falling due within one year		**(708,802)**		(703,910)	
Net current assets/(liabilities)			**46**		(88,777)
Total assets less current liabilities			**2,769,976**		2,738,409
Creditors: amounts falling due after more than one year			**(1,364,341)**		(1,494,476)
Provisions for liabilities			**(93,261)**		(72,892)
Net assets			**1,312,374**		1,171,041
Capital and reserves					
Called up share capital			**90,000**		90,000
Share premium account			**105,000**		105,000
Revaluation reserve			**17,823**		18,886
Profit and loss reserves			**1,099,551**		957,155
Total equity			**1,312,374**		1,171,041

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409)(b).

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

BUSHMILLS HOTELS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 14/09/17 and are signed on its behalf by:

Alan Dunlop

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Mr A Dunlop
Director

Company Registration No. NI019775

The notes on pages 3 - 9 form part of these financial statements and should be read in conjunction therewith.

1 Accounting policies

Company information

Bushmills Hotels Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is Bushmills Inn, 9 Dunluce Road, Bushmills, Co Antrim, BT57 8QG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The prinipal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts, from the provision of those services associated with the hotel trade and is recognised when a right to consideration is obtained from the performance of contractual obligations.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

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

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

Freehold land and buildings	- 2% straight line
Improvements to premises	- 2% straight line
Equipment, fixtures & fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

On implementation of FRS 102, the company has elected to use a previous GAAP revaluation of its property as its deemed cost. The valuation was carried out in 1988 and has not been updated.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

The company operates a defined contribution scheme for its employees. The assets of the scheme are held independently from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.13 Related party transactions

The company has taken advantage of the exemption contained in FRS 102 Section 33.1A "Related Party Disclosures", which allows 100% owned subsidiaries to not disclose details of transactions with its parent company.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 85 (2015 - 84).

3 Tangible fixed assets

	Total
	£
Cost or valuation	
At 1 January 2016	**5,278,990**
Additions	**110,173**
Disposals	**(4,995)**
At 31 December 2016	**5,384,168**
Depreciation and impairment	
At 1 January 2016	**2,451,804**
Depreciation charged in the year	**165,832**
Eliminated in respect of disposals	**(3,398)**
At 31 December 2016	**2,614,238**
Carrying amount	
At 31 December 2016	**2,769,930**
At 31 December 2015	2,827,186

Land and buildings were revalued on 31 December 1988 by Nationwide Anglia Estate Agents and Valuers, independent valuers not connected with the company on an open market value.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2016	2015
	£	£
Cost	**124,599**	124,599
Accumulated depreciation	**(59,337)**	(56,845)
Carrying value	**65,262**	67,754

The revaluation surplus is disclosed in note 9.

Freehold land and buildings with a carrying amount of £2,181,795 (2015 - £2,166,434) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

4 Debtors

	2016	2015
Amounts falling due within one year:	**£**	**£**
Trade debtors	**14,386**	8,541
Other debtors	**57,382**	**56,698**
	71,768	65,239

5 Creditors: amounts falling due within one year

	2016	2015
	£	**£**
Bank loans and overdrafts	**120,000**	120,000
Trade creditors	**106,927**	103,927
Corporation tax	**158,082**	130,388
Other taxation and social security	**48,374**	70,369
Other creditors	**275,419**	279,226
	708,802	703,910

6 Creditors: amounts falling due after more than one year

	2016	2015
	£	**£**
Bank loans and overdrafts	**646,982**	756,982
Other creditors	**717,359**	737,494
	1,364,341	1,494,476

The bank loan is secured by an inter-company guarantee with Bushmills Hotels (Holdco) Limited collateralised by:

- a freehold 1st legal charge over The Bushmills Inn including lands at the rear of 25, 27 & 29 Main Street, Bushmills, Co. Antrim
- an all monies debenture from Bushmills Hotels (Holdco) Limited
- a charge over Natwest Life Policy No. 1527738AL
- an all monies debenture

7 Government grants

Grants received have been recognised based on the accrual model.

BUSHMILLS HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
75,000 Ordinary shares of £1 each	**75,000**	75,000
15,000 "A" Ordinary shares of £1 each	**15,000**	15,000
	90,000	90,000

The ordinary shares entitle the shareholders to:

- full voting rights;
- full rights to participate in dividends, as voted; and
- full rights to participate in a distribution including in a winding up.

9 Revaluation reserve

	2016	2015
	£	£
At beginning of year	**18,886**	19,949
Transfer to retained earnings	**(1,063)**	(1,063)
At end of year	**17,823**	18,886

10 Financial commitments, guarantees and contingent liabilities

The company has a liability to repay grant monies received by it should it fail to meet the relevant conditions as set out in the relevant letters of offer.

11 Related party transactions

Remuneration of key management personnel

	2016	2015
	£	£
Aggregate compensation	**16,500**	96,256

No guarantees have been given or received.

12 Parent company

The ultimate parent company is Bushmills Hotels (Holdco) Ltd.