

GREAT FOSTERS (1931) LIMITED

FINANCIAL STATEMENTS

31 MARCH 2014



GREAT FOSTERS (1931) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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GREAT FOSTERS (1931) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

A.H.W. Sutcliffe QC (Chairman)
J.J.R. Raison
R. Young
W.J. Plummer
S.A Barrett
H.C. Williams

COMPANY SECRETARY

J. Page

REGISTERED OFFICE

Great Fosters
Egham
Surrey
TW20 9UR

AUDITOR

Menzies LLP
Chartered Accountants
Heathrow Business Centre
65 High Street
Egham
Surrey TW20 9EY

BANKERS

Allied Irish Bank (GB)
Sovereign House
361 King Street
Hammersmith
W6 9NA

GREAT FOSTERS (1931) LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2014

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year was of the operation of a hotel and catering establishment.

The company has increased its turnover by 4.5% on the previous year, however the significant investment in refurbishing the hotel had an impact on profitability in the current year but it is anticipated that the benefits will be derived in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's financial instruments comprise borrowings, some cash and liquid resources, and various items, such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate risk and liquidity and cash flow risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company currently borrows at floating rates of interest which in the board's opinion is sustainable for the next 12 months however they actively monitor the market in conjunction with the bank to manage the company's exposure to interest rate fluctuations.

Liquidity and cash flow risk

The company manages its liquidity risk by structuring their borrowings to ensure repayments are made over a suitable period. Cash Flow risk is managed through daily monitoring of working capital requirements.

KEY FINANCIAL PERFORMANCE INDICATORS

The Board will continue to review the operating performance of the company on a regular basis.

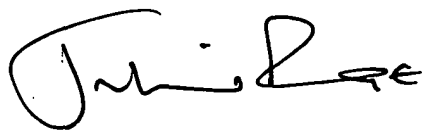
The key performance indicator is EBITDA: debt service, which is measured by the company's bankers (Allied Irish Bank) on a rolling four quarter basis.

FUTURE DEVELOPMENTS

The Board continues to look at development opportunities that will provide a return to shareholders. The hotel's food and beverage operation has been substantially improved with the conversion of the Oak Room to a grill room and bar. Changes to a management office and adjacent small function room have provided a greatly enhanced area that can be used by function guests for private dining and small gatherings.

In the mid to long term consideration will be given to the building of a new twelve bedroom accommodation block (The Old Barn) adjacent to the existing Coach House.

Signed by order of the directors



J. Page
Company Secretary

Approved by the directors on 28.10.14

GREAT FOSTERS (1931) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

RESULTS AND DIVIDENDS

The loss for the year amounted to £263,605. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

A.H.W. Sutcliffe QC (Chairman)
J.J.R. Raison
R. Young
W.J. Plummer
S.A Barrett
H.C. Williams

GOING CONCERN

Although the company has made a loss of £263,605 (2013: profit of £213,816) during the year and has net current liabilities at the year end of £1,633,461 (2013: £1,338,244), the fixed assets of the company are valued at historic cost and as the Hotel was gifted to the company, the net asset position does not fully reflect the net realisable value of these assets, which is considered to be significantly higher.

As a result, and with the continued support of its bankers, the Directors are confident that the company has the ability to continue as a going concern for the foreseeable future.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report 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 year.

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.

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

GREAT FOSTERS (1931) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

AUDITOR

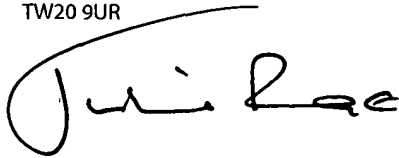
Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Great Fosters
Egham
Surrey
TW20 9UR

Signed by order of the directors



J. Page
Company Secretary

Approved by the directors on 28.10.14

GREAT FOSTERS (1931) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GREAT FOSTERS (1931) LIMITED

YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Great Fosters (1931) Limited for the year ended 31 March 2014. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's report 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 31 March 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Heathrow Business Centre
65 High Street
Egham
Surrey TW20 9EY

31 October 2014

Menzies LLP

JULIE ADAMS FCA (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

GREAT FOSTERS (1931) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
TURNOVER	3	6,398,815	6,122,727
Cost of sales		1,405,355	1,178,275
GROSS PROFIT		4,993,460	4,944,452
Administrative expenses		5,075,109	4,355,300
OPERATING (LOSS)/PROFIT	4	(81,649)	589,152
Interest payable and similar charges	7	224,230	253,323
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(305,879)	335,829
Tax on (loss)/profit on ordinary activities	8	(42,274)	122,013
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(263,605)	213,816

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 16 form part of these financial statements.

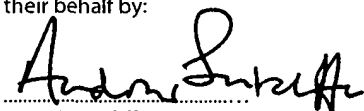
GREAT FOSTERS (1931) LIMITED

BALANCE SHEET

31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	9	9,687,986	9,625,581
CURRENT ASSETS			
Stocks	10	332,211	247,153
Debtors	11	244,280	207,129
Cash in hand		7,539	7,372
		<u>584,030</u>	<u>461,654</u>
CREDITORS: Amounts falling due within one year	12	<u>2,217,491</u>	<u>1,799,898</u>
NET CURRENT LIABILITIES		<u>(1,633,461)</u>	<u>(1,338,244)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,054,525</u>	<u>8,287,337</u>
CREDITORS: Amounts falling due after more than one year	13	5,423,117	5,349,694
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	138,209	180,839
		<u>2,493,199</u>	<u>2,756,804</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	19,872	19,872
Revaluation reserve		11,746	11,746
Profit and loss account	19	2,461,581	2,725,186
SHAREHOLDERS' FUNDS	20	<u>2,493,199</u>	<u>2,756,804</u>

These accounts were approved by the directors and authorised for issue on 28.10.14, and are signed on their behalf by:



A.H.W. Sutcliffe QC (Chairman)

Company Registration Number: 00254708

The notes on pages 10 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2014

	2014		2013	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		289,299		1,162,256
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest paid	(224,230)		(253,323)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(224,230)		(253,323)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(526,521)		(1,112,936)	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(526,521)		(1,112,936)
CASH OUTFLOW BEFORE FINANCING		(461,452)		(204,003)
FINANCING				
Increase in bank loans	236,646		226,280	
NET CASH INFLOW FROM FINANCING		236,646		226,280
(DECREASE)/INCREASE IN CASH		(224,806)		22,277
RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
	2014		2013	
	£		£	
Operating (loss)/profit	(81,649)		589,152	
Depreciation	464,116		307,922	
Increase in stocks	(85,058)		(25,971)	
(Increase)/decrease in debtors	(37,507)		139,512	
Increase in creditors	29,397		151,641	
Net cash inflow from operating activities	289,299		1,162,256	
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT				
	2014		2013	
	£	£	£	£
(Decrease)/increase in cash in the period	(224,806)		22,277	
Net cash (inflow) from bank loans	(236,646)		(226,280)	
		(461,452)		(204,003)
Change in net debt		(461,452)		(204,003)
Net debt at 1 April 2013		(5,629,778)		(5,425,775)
Net debt at 31 March 2014		(6,091,230)		(5,629,778)

The notes on pages 10 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2014

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2013 £	Cash flows £	At 31 Mar 2014 £
Net cash:			
Cash in hand and at bank	7,372	167	7,539
Overdrafts	(125,734)	(224,973)	(350,707)
	<u>(118,362)</u>	<u>(224,806)</u>	<u>(343,168)</u>
Debt:			
Debt due within 1 year	(161,722)	(163,223)	(324,945)
Debt due after 1 year	(5,349,694)	(73,423)	(5,423,117)
	<u>(5,511,416)</u>	<u>(236,646)</u>	<u>(5,748,062)</u>
Net debt	<u>(5,629,778)</u>	<u>(461,452)</u>	<u>(6,091,230)</u>

The notes on pages 10 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

1. Going Concern

The directors note that the company has made a loss of £263,605 (2013: profit of £213,816) during the year and has net current liabilities of £1,633,461 (2013: £1,338,244) at the balance sheet date. The loss during the year has arisen, in part, due to the significant investment in refurbishing the hotel but it is anticipated that the benefits will be derived in the future. The net current liability position has arisen due to borrowings from the bank secured on the company's land and buildings. However, the land and buildings are valued at historic cost and therefore the financial statements do not reflect the net realisable value of these assets, which is considered to be significantly higher.

The directors consider the above, combined with the continued support of its bankers, will enable liabilities to be met as they fall due during the next twelve months and therefore hold the view it is correct for the accounts to be prepared on the going concern basis.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2%, 5%, 25% straight line basis
Furniture & Equipment	- 2%, 5%, 8%, 20%, 25% straight line basis
Motor Vehicles	- 25% straight line basis

Investment properties

Investment properties are included in the balance sheet at their open market value. Although this accounting policy is in accordance with SSAP19, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation, which might have been charged, but cannot be separately identified or quantified.

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

2. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Derivative instruments

The company uses interest rate swaps to adjust interest rate exposures.

The company considers its derivative instruments qualify for hedge accounting when certain criteria are met.

The company's criteria for interest rate swaps are:

The instrument must be related to an asset or a liability; and

it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.

Interest differentials are recognised by accruing with net interest payable. Interest rate swaps are not revalued to fair value. If they are terminated early, the gain or loss is spread over the remaining maturity of the original instrument.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	<u>6,398,815</u>	<u>6,122,727</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of owned fixed assets	464,116	307,922
Auditor's remuneration		
- as auditor	14,000	14,000
Net profit on foreign currency translation	-	(7)
	<u> </u>	<u> </u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2014 No	2013 No
Full time	101	102
Part time	24	9
	<u>125</u>	<u>111</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	2,629,062	2,305,127
Social security costs	211,952	161,960
Other pension costs	52,653	41,971
Pensions paid to former employees	37,732	36,168
	<u>2,931,399</u>	<u>2,545,226</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	128,071	126,626
Value of company pension contributions to money purchase schemes	7,443	7,629
Excess retirement benefits funded by the company:		
Pensions to former director	37,732	36,168
	<u>173,246</u>	<u>170,423</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014 No	2013 No
Money purchase schemes	<u>1</u>	<u>1</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Interest payable on bank borrowing	<u>224,230</u>	<u>253,323</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014		2013	
	£	£	£	£
Current tax:				
Corporation tax		-		-
Over/under provision in prior year		356		-
Total current tax		356		-
Deferred tax:				
Origination and reversal of timing differences (note 14)				
Capital allowances	47,278		(194,311)	
Losses	(91,755)		317,992	
Other	1,847		(1,668)	
Total deferred tax (note 14)		(42,630)		122,013
Tax on (loss)/profit on ordinary activities		(42,274)		122,013

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2013 - 24%).

	2014	2013
	£	£
(Loss)/profit on ordinary activities before taxation	(305,879)	335,829
(Loss)/profit on ordinary activities by rate of tax	(70,352)	80,599
Expenses not deductible for tax purposes	3,247	3,659
Capital allowances for period in excess of depreciation	16,495	(22,875)
Utilisation of tax losses	50,568	(63,124)
Other short term timing differences	42	1,741
Over/under provision in prior year	356	-
Total current tax (note 8(a))	356	-

9. TANGIBLE FIXED ASSETS

	Freehold Land and Property £	Furniture and Equipment £	Motor Vehicles £	Total £
COST				
At 1 April 2013	10,133,645	4,571,638	30,629	14,735,912
Additions	147,185	379,336	-	526,521
At 31 March 2014	10,280,830	4,950,974	30,629	15,262,433
DEPRECIATION				
At 1 April 2013	2,006,529	3,073,173	30,629	5,110,331
Charge for the year	196,550	267,566	-	464,116
At 31 March 2014	2,203,079	3,340,739	30,629	5,574,447
NET BOOK VALUE				
At 31 March 2014	8,077,751	1,610,235	-	9,687,986
At 31 March 2013	8,127,116	1,498,465	-	9,625,581

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

9. TANGIBLE FIXED ASSETS *(continued)*

The hotel known as Great Fosters, was owned by a trust and leased to the company until 4 November 2009. On this date, the Trust gifted the hotel to the company for £nil consideration. As a result of this gift, the Alterations and Additions to Premises fixed asset category was transferred to Freehold Land and Property. This transaction also resulted in the transfer of freehold land which was previously held by the company for investment purposes to the Freehold Land and Property tangible fixed asset category.

10. STOCKS

	2014 £	2013 £
Finished goods	332,211	247,153

11. DEBTORS

	2014 £	2013 £
Trade debtors	132,939	111,088
Corporation tax repayable	—	356
VAT recoverable	—	35,897
Other debtors	29,935	5,855
Directors current accounts	5,624	7,500
Prepayments and accrued income	75,782	46,433
	<u>244,280</u>	<u>207,129</u>

12. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	675,652	287,456
Trade creditors	503,299	583,936
PAYE and social security	49,713	83,497
VAT	96,471	—
Other creditors	689,833	708,200
Accruals and deferred income	202,523	136,809
	<u>2,217,491</u>	<u>1,799,898</u>

Included in accruals and deferred income is £7,443 in relation to an unpaid pension contribution as at 31 March 2014.

The bank facilities are secured by a first legal mortgage on the company's land and property, a specific charge on the goodwill of the business and a fixed and floating charge over all the assets of the company.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2014 £	2013 £
Bank loans and overdrafts	675,652	287,456

13. CREDITORS: Amounts falling due after more than one year

	2014 £	2013 £
Bank loans and overdrafts	5,423,117	5,349,694

The bank facilities are secured by a first legal mortgage on the company's land and property, a specific charge on the goodwill of the business and a fixed and floating charge over all the assets of the company.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

13. CREDITORS: Amounts falling due after more than one year (continued)

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2014 £	2013 £
Bank loans and overdrafts	5,423,117	5,349,694

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date at a rate of 3 month LIBOR + 2.4% :

	2014 £	2013 £
Bank loans and overdrafts	3,781,390	2,857,590

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2014 £	2013 £
Provision brought forward	180,839	58,826
Profit and loss account movement arising during the year	(42,630)	122,013
Provision carried forward	138,209	180,839

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	158,992	111,714
Tax losses available	(20,962)	70,793
Other timing differences	179	(1,668)
	138,209	180,839

15. DERIVATIVES

Previously the company had entered into an interest rate swap which is a derivative transaction. The purpose of such a transaction is to manage the interest rate risk arising from the company's sources of finance. This derivative transaction came to an end during the current year.

Of the company's total bank loans and overdraft of £5,637,150 at the previous year end, an amount of £5,009,698 was subject to an interest rate swap. The company agreed to swap the floating rate of 3 month LIBOR + 1.4% for a fixed rate of 4.78%.

The fair value of the derivative at 31 March 2013 was a liability of £49,962 which was not provided for in the financial statements.

16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Within 1 year	7,379	2,274
Within 2 to 5 years	12,186	21,876
After more than 5 years	4,320	5,360
	23,885	29,510

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

17. TRANSACTIONS WITH DIRECTORS

At the year end Mr R. Young owed the company £5,624 (2013: £7,500), with expenses of £4,159 being paid on Mr R. Young's behalf and £6,034 being repaid to Great Fosters (1931) Limited during the year. The maximum amount this Director's loan account was overdrawn during the year was £7,500 (2013: £11,250).

No interest has been charged on the loan.

18. SHARE CAPITAL

Allotted and called up:

	2014		2013	
	No	£	No	£
Ordinary Class A shares fully paid of £1 each	4,968	4,968	4,968	4,968
Ordinary Class B shares fully paid of £1 each	4,968	4,968	4,968	4,968
Ordinary Class C shares fully paid of £1 each	4,968	4,968	4,968	4,968
Ordinary Class D shares fully paid of £1 each	4,968	4,968	4,968	4,968
	<u>19,872</u>	<u>19,872</u>	<u>19,872</u>	<u>19,872</u>

The A, B, C and D Ordinary shares rank pari passu in all respects.

19. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
Balance brought forward	2,725,186	2,511,370
(Loss)/profit for the financial year	(263,605)	213,816
Balance carried forward	<u>2,461,581</u>	<u>2,725,186</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
(Loss)/Profit for the financial year	(263,605)	213,816
Opening shareholders' funds	2,756,804	2,542,988
Closing shareholders' funds	<u>2,493,199</u>	<u>2,756,804</u>

21. POST BALANCE SHEET EVENTS

On the 25 April 2014 the company entered into an agreement with HMRC to spend £300,000 per year on maintaining the house and gardens for the next five years in accordance with their Heritage Asset Management Plan.

22. CONTROLLING PARTY

The Director's consider there to be no ultimate controlling party.