

COMPANY REGISTRATION NUMBER: 00254708

GREAT FOSTERS (1931) LIMITED

Financial Statements

31 March 2016



GREAT FOSTERS (1931) LIMITED

Financial Statements

Year ended 31 March 2016

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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
J.H. Field

COMPANY SECRETARY

J. Page

REGISTERED OFFICE

Great Fosters
Egham
Surrey
TW20 9UR

AUDITOR

Menzies LLP
Chartered Accountants & statutory auditor
Centrum House
36 Station Road
Egham
Surrey TW20 9LF

BANKERS

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

GREAT FOSTERS (1931) LIMITED

Strategic Report

Year ended 31 March 2016

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 reported a 3.85% increase in turnover and a return to profit after two years of losses.

The hotel received the prestigious award of four red stars from the AA during the year.

The main "driver" of the business continues to be weddings, although a significant contribution to revenue is now coming from the various food and beverage areas that were refurbished during 2014 and are now beginning to operate at forecasted levels.

A planned refurbishment programme of several "historic" and second floor bedrooms commenced in the early part of the year. The business is already seeing a return on this investment with accommodation yields showing a marked increase on previous years. Further works are planned for 2016/17.

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

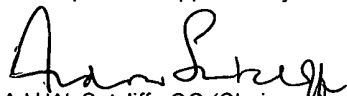
The Board will continue to review the operating performance of the company on a regular basis.

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.

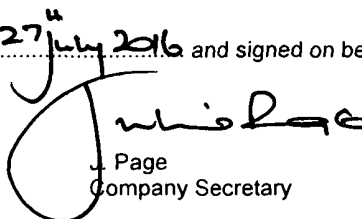
FUTURE DEVELOPMENTS

The Board's primary aim is to reduce debt whilst it continues to look at small development and refurbishment opportunities that will enhance the operation. In due course full consideration will be given to building additional bedrooms for which it has planning permission.

This report was approved by the board of directors on 27th July 2016 and signed on behalf of the board by:



A.H.W. Sutcliffe QC (Chairman)
Chairman



J. Page
Company Secretary

Registered office:
Great Fosters
Egham
Surrey
TW20 9UR

GREAT FOSTERS (1931) LIMITED

Directors' Report

Year ended 31 March 2016

The directors present their report and the financial statements of the company for the year ended 31 March 2016.

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
J.H. Field

DIVIDENDS

The directors do not recommend the payment of a dividend.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF INFORMATION IN THE 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.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 judgments 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.

AUDITOR

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

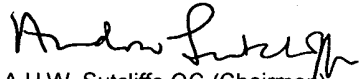
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

GREAT FOSTERS (1931) LIMITED

Directors' Report (*continued*)

Year ended 31 March 2016

This report was approved by the board of directors on 27th July 2016 and signed on behalf of the board by:



A.H.W. Sutcliffe QC (Chairman)
Chairman



J. Page
Company Secretary

Registered office:
Great Fosters
Egham
Surrey
TW20 9UR

GREAT FOSTERS (1931) LIMITED

Independent Auditor's Report to the Shareholders of Great Fosters (1931) Limited

Year ended 31 March 2016

We have audited the financial statements of Great Fosters (1931) Limited for the year ended 31 March 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and the 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

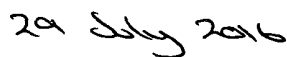
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.



Julie Adams FCA (Senior Statutory Auditor)

For and on behalf of
Menzies LLP
Chartered Accountants & statutory auditor
Centrum House
36 Station Road
Egham
Surrey TW20 9LF



GREAT FOSTERS (1931) LIMITED

Statement of Income and Retained Earnings

Year ended 31 March 2016

	Note	2016 £	2015 £
TURNOVER	3	6,806,550	6,554,819
Cost of sales		<u>1,396,552</u>	<u>1,275,191</u>
GROSS PROFIT		5,409,998	5,279,628
Administrative expenses		<u>4,980,022</u>	<u>5,020,202</u>
OPERATING PROFIT	4	429,976	259,426
Interest payable and similar charges	8	<u>305,806</u>	<u>359,101</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		124,170	(99,675)
Tax on profit/(loss) on ordinary activities	9	<u>42,782</u>	<u>20,272</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>81,388</u>	<u>(119,947)</u>
RETAINED EARNINGS AT THE START OF THE YEAR		2,341,634	2,461,581
RETAINED EARNINGS AT THE END OF THE YEAR		<u>2,423,022</u>	<u>2,341,634</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

Statement of Financial Position

31 March 2016

	Note	2016 £	£	2015 £
FIXED ASSETS				
Tangible assets	10		9,096,471	9,261,452
CURRENT ASSETS				
Stocks	11	312,438		296,061
Debtors	12	239,734		278,232
Cash at bank and in hand	13	3,006		3,303
		555,178		577,596
CREDITORS: amounts falling due within one year	14	2,085,405		2,060,144
NET CURRENT LIABILITIES			1,530,227	1,482,548
TOTAL ASSETS LESS CURRENT LIABILITIES			7,566,244	7,778,904
CREDITORS: amounts falling due after more than one year	15		4,910,341	5,247,171
PROVISIONS				
Taxation including deferred tax	17		201,263	158,481
NET ASSETS			2,454,640	2,373,252
CAPITAL AND RESERVES				
Called up share capital	20		19,872	19,872
Revaluation reserve	21		11,746	11,746
Profit and loss account	21		2,423,022	2,341,634
SHAREHOLDERS FUNDS			2,454,640	2,373,252

These financial statements were approved by the board of directors and authorised for issue on 27th July 2016 and are signed on behalf of the board by:


A.H.W. Sutcliffe QC (Chairman)
Chairman

Company registration number: 00254708

The notes on pages 9 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

Statement of Cash Flows

Year ended 31 March 2016

	Note	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the financial year		81,388	(119,947)
<i>Adjustments for:</i>			
Depreciation of tangible assets		466,316	460,147
Interest payable and similar charges		305,806	359,101
Tax on profit/(loss) on ordinary activities		42,782	20,272
Accrued expenses/(income)		11,304	(133,718)
<i>Changes in:</i>			
Stocks		(16,377)	36,150
Trade and other debtors		38,498	(33,952)
Trade and other creditors		195,567	117,306
Cash generated from operations		1,125,284	705,359
Interest paid		(305,806)	(359,101)
Net cash from operating activities		<u>819,478</u>	<u>346,258</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(301,335)	(33,613)
Net cash used in investing activities		<u>(301,335)</u>	<u>(33,613)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		(333,024)	(162,253)
Net cash used in financing activities		<u>(333,024)</u>	<u>(162,253)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		185,119	150,392
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(192,776)	(343,168)
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	<u>(7,657)</u>	<u>(192,776)</u>

The notes on pages 9 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

Notes to the Financial Statements

Year ended 31 March 2016

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Great Fosters (1931) Limited is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on page 1. The principal place of business is Great Fosters, Egham, Surrey, TW20 9UR.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Depreciation and residual values of all fixed asset classes.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assumptions have been made around the useful life of the fixed assets. These estimations have been made in accordance with the usual replacement period for these assets and are deemed appropriate.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

GREAT FOSTERS (1931) LIMITED

Notes to the Financial Statements (continued)

Year ended 31 March 2016

2. ACCOUNTING POLICIES (continued)

Deferred tax

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:

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Freehold Property	-	2% straight line
Furniture and equipment	-	2%, 10%, 20% and 33.33% Straight Line
Land	-	Not depreciated

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

GREAT FOSTERS (1931) LIMITED

Notes to the Financial Statements (continued)

Year ended 31 March 2016

2. ACCOUNTING POLICIES (continued)

Stocks

Stocks are measured 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 the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3. TURNOVER

Turnover arises from:

	2016 £	2015 £
Rendering of services	<u>6,806,550</u>	<u>6,554,819</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	466,316	460,147
Defined contribution plans expense	<u>93,665</u>	<u>115,667</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Financial Statements (continued)

Year ended 31 March 2016

5. AUDITOR'S REMUNERATION

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>18,600</u>	<u>18,000</u>

6. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016 No.	2015 No.
Full time	103	105
Part time	<u>21</u>	<u>21</u>
	<u>124</u>	<u>126</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	2,659,784	2,805,001
Social security costs	195,301	195,457
Other pension costs	<u>93,665</u>	<u>115,667</u>
	<u>2,948,750</u>	<u>3,116,125</u>

7. DIRECTORS' REMUNERATION

The directors aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	136,638	131,920
Company contributions to defined contribution pension plans	7,828	7,980
Excess retirement benefits of directors and past directors	<u>38,150</u>	<u>37,640</u>
	<u>182,616</u>	<u>177,540</u>

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

	2016 No.	2015 No.
Defined contribution plans	<u>1</u>	<u>1</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest on banks loans and overdrafts	<u>305,806</u>	<u>359,101</u>

9. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Major components of tax expense

	2016 £	2015 £
Deferred tax:		
Origination and reversal of timing differences	<u>42,782</u>	<u>20,272</u>
Tax on profit/(loss) on ordinary activities	<u>42,782</u>	<u>20,272</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Financial Statements (continued)

Year ended 31 March 2016

9. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit/(loss) on ordinary activities before taxation	124,170	(99,675)
Profit/(loss) on ordinary activities by rate of tax	24,834	(20,932)
Effect of expenses not deductible for tax purposes	135	64
Effect of capital allowances and depreciation	(69)	42,211
Utilisation of tax losses	17,882	(1,071)
Tax on profit/(loss) on ordinary activities	42,782	20,272

10. TANGIBLE ASSETS

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2015	10,301,829	2,760,924	13,062,753
Additions	—	301,335	301,335
At 31 March 2016	10,301,829	3,062,259	13,364,088
Depreciation			
At 1 April 2015	2,242,474	1,558,827	3,801,301
Charge for the year	201,550	264,766	466,316
At 31 March 2016	2,444,024	1,823,593	4,267,617
Carrying amount			
At 31 March 2016	7,857,805	1,238,666	9,096,471
At 31 March 2015	8,059,355	1,202,097	9,261,452

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.

11. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	312,438	296,061

The amount of stock recognised as an expense in the profit and loss during the period was £1,181,959 (2015 - £1,076,932).

GREAT FOSTERS (1931) LIMITED

Notes to the Financial Statements (continued)

Year ended 31 March 2016

12. DEBTORS

	2016 £	2015 £
Trade debtors	208,761	228,208
Prepayments and accrued income	30,973	50,024
	<u>239,734</u>	<u>278,232</u>

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	3,006	3,303
Bank overdrafts	(10,663)	(196,079)
	<u>(7,657)</u>	<u>(192,776)</u>

14. CREDITORS: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	353,107	534,717
Trade creditors	322,337	274,728
Accruals and deferred income	80,109	68,805
Social security and other taxes	284,642	285,320
Other creditors	1,045,210	896,574
	<u>2,085,405</u>	<u>2,060,144</u>

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.

15. CREDITORS: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	<u>4,910,341</u>	<u>5,247,171</u>

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.

Included within creditors: amounts falling due after more than one year is an amount of £3,433,657 (2015: £3,914,683) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

This amount is repayable at a rate of 3 month LIBOR + 2.4%.

GREAT FOSTERS (1931) LIMITED

Notes to the Financial Statements (continued)

Year ended 31 March 2016

16. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in provisions (note 17)	<u>201,263</u>	<u>158,481</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	363,411	362,237
Unused tax losses	(160,938)	(200,982)
Other timing differences	<u>(1,210)</u>	<u>(2,774)</u>
	<u>201,263</u>	<u>158,481</u>

17. PROVISIONS

	Deferred tax (note 16) £
At 1 April 2015	158,481
Other movements	<u>42,782</u>
At 31 March 2016	<u>201,263</u>

18. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £93,665 (2015: £115,667).

19. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>208,761</u>	<u>228,208</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(5,673,032)</u>	<u>(6,131,959)</u>

20. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary Class A shares of £1 each	4,968	4,968	4,968	4,968
Ordinary Class B shares of £1 each	4,968	4,968	4,968	4,968
Ordinary Class C shares of £1 each	4,968	4,968	4,968	4,968
Ordinary Class D shares 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.

GREAT FOSTERS (1931) LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

21. RESERVES

Revaluation reserve - This reserve shows the value of historic asset revaluations.

Profit and loss account - This reserve records retained earnings and accumulated losses.

22. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Not later than 1 year	36,077	16,506
Later than 1 year and not later than 5 years	21,789	37,896
	<u>57,866</u>	<u>54,402</u>

23. RELATED PARTY TRANSACTIONS

The key management personnel of the company are deemed to be the board of directors and their remuneration is disclosed in note 7.

24. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

No transitional adjustments were required in equity or profit or loss for the year.

25. CONTROLLING PARTY

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