

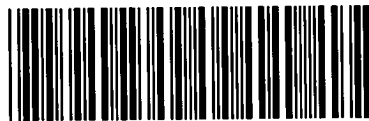
**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

31 MARCH 2017

**GREAT FOSTERS (1931)
LIMITED**

WEDNESDAY



A6CY2Q6Q

A20

16/08/2017

#275

COMPANIES HOUSE

MENZIES
BRIGHTER THINKING

GREAT FOSTERS (1931) LIMITED

CONTENTS

	Page
Company Information	1
Strategic Report	2 - 3
Directors' Report	4 - 5
Independent Auditors' Report	6 - 7
Statement of Income and Retained Earnings	8
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 21
The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	22 - 24

GREAT FOSTERS (1931) LIMITED

COMPANY INFORMATION

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 J. Sutcliffe A.T. Field V. Raison M. Gardner
Company secretary	J. Page
Registered number	00254708
Registered office	Great Fosters Egham Surrey TW20 9UR
Independent auditors	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 FOR THE YEAR ENDED 31 MARCH 2017

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 1.71% increase in turnover, which resulted in a small profit for the year.

The hotel maintained its 4 red stars from the AA and in September was awarded a coveted Michelin star for The Tudor Room.

The main "driver" of the business continues to be weddings, although a significant contribution to revenue comes from the various food and beverage areas that were refurbished during 2014. Of particular note is the improved trading performance of The Tudor Room since receiving its award.

The planned refurbishment programme of several second floor bedrooms continued through the year and this contributed to an encouraging rise in accommodation yields and a resultant increase in revenue of 5.27%.

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.

Financial key performance indicators

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

Specific key performance indicators used include:-

EBITDA: debt service

This is measured by the company's bankers (Allied Irish Bank GB) on an annual basis at the company's year end. The debt service cover is 1.33 (2016 - 1.52). This is within the banking covenants required by AIB.

Gross margin

The gross profit margin is 79% (2016 - 79%). This is in line with expectation.

Cashflow

The net overdraft position of the company increased by £302,087 during the year, although the longer term debt liability continues to be reduced. This has been monitored by management on a daily basis taking into account the performance of the business, seasonality and prior year comparisons to enable varying project and other financial decisions to be made.

The company continued to operate throughout the period within the overall facilities provided by AIB.

GREAT FOSTERS (1931) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

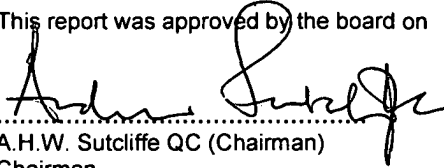
Future developments

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.

This report was approved by the board on

03/08/2017

and signed on its behalf.


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

GREAT FOSTERS (1931) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors

The directors who served during the year were:

A.H.W. Sutcliffe QC (Chairman)
J.J.R. Raison
R.Young
W.J. Plummer
S.A. Barrett
H.C. Williams
J.H. Field
J. Sutcliffe (appointed 1 December 2016)
A.T. Field (appointed 1 December 2016)
V. Raison (appointed 1 December 2016)
M. Gardner (appointed 3 January 2017)

Results and dividends

The profit for the year, after taxation, amounted to £12,496 (2016 - £81,388).

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.

GREAT FOSTERS (1931) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements 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.

Disclosure of information to auditors

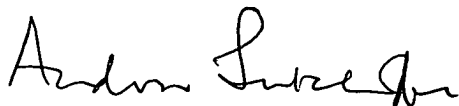
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

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

This report was approved by the board on 03/08/2017 and signed on its behalf.



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

Great Fosters
Egham
Surrey
TW20 9UR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREAT FOSTERS (1931) LIMITED

We have audited the financial statements of Great Fosters (1931) Limited for the year ended 31 March 2017, set out on pages 8 to 21. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Auditors' 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 Auditors

As explained more fully in the Directors' Responsibilities Statement on page 5, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit or 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, based on the work undertaken in the course of the audit, 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREAT FOSTERS (1931) LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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.

Menzies LLP

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

Date: 14/8/17

GREAT FOSTERS (1931) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	6,932,929	6,815,997
Cost of sales		(1,484,234)	(1,401,258)
Gross profit		5,448,695	5,414,739
Administrative expenses		(5,287,728)	(5,123,138)
Operating profit	5	160,967	291,601
Interest payable and expenses	8	(148,471)	(167,431)
Profit before tax		12,496	124,170
Tax on profit	9	-	(42,782)
Profit after tax		12,496	81,388
Retained earnings at the beginning of the year		2,423,022	2,341,634
		2,423,022	2,341,634
Profit for the year		12,496	81,388
Retained earnings at the end of the year		2,435,518	2,423,022

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 21 form part of these financial statements.

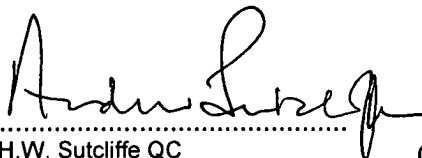
GREAT FOSTERS (1931) LIMITED

REGISTERED NUMBER:00254708

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	8,832,706	9,096,471
		<u>8,832,706</u>	<u>9,096,471</u>
Current assets			
Stocks	11	349,430	312,438
Debtors: amounts falling due within one year	12	317,227	239,734
Cash at bank and in hand	13	2,905	3,006
		<u>669,562</u>	<u>555,178</u>
Creditors: amounts falling due within one year	14	(2,294,392)	(2,085,405)
Net current liabilities		<u>(1,624,830)</u>	<u>(1,530,227)</u>
Total assets less current liabilities		<u>7,207,876</u>	<u>7,566,244</u>
Creditors: amounts falling due after more than one year	15	(4,539,477)	(4,910,341)
Provisions for liabilities			
Deferred tax	17	(201,263)	(201,263)
		<u>(201,263)</u>	<u>(201,263)</u>
Net assets		<u><u>2,467,136</u></u>	<u><u>2,454,640</u></u>
Capital and reserves			
Called up share capital	18	19,872	19,872
Revaluation reserve	19	11,746	11,746
Profit and loss account	19	2,435,518	2,423,022
		<u><u>2,467,136</u></u>	<u><u>2,454,640</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


 A.H.W. Sutcliffe QC
 Chairman

03/08/2017

The notes on pages 11 to 21 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	12,496	81,388
Adjustments for:		
Depreciation of tangible assets	499,104	466,316
Interest paid	215,606	305,806
Taxation	-	42,782
Accrued expenses/(income)	(10,687)	11,304
(Increase) in stocks	(36,992)	(16,377)
(Increase)/decrease in debtors	(77,493)	38,498
(Decrease)/increase in creditors	(104,988)	195,567
Net cash generated from operating activities	497,046	1,125,284
Cash flows from investing activities		
Purchase of tangible fixed assets	(235,339)	(301,335)
Net cash from investing activities	(235,339)	(301,335)
Cash flows from financing activities		
Repayment of loans	(348,289)	(333,024)
Interest paid	(215,606)	(305,806)
Net cash used in financing activities	(563,895)	(638,830)
Net (decrease)/increase in cash and cash equivalents	(302,188)	185,119
Cash and cash equivalents at beginning of year	(7,657)	(192,776)
Cash and cash equivalents at the end of year	(309,845)	(7,657)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,905	3,006
Bank overdrafts	(312,750)	(10,663)
	(309,845)	(7,657)

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

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 England. The address of its registered office is disclosed on page 1, which is also its principal place of business.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Fixtures and fittings	-	2%, 10%, 20% and 33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

2.6 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Judgments in applying accounting policies 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. Their carrying amount as at the year end is disclosed in note 10.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Rendering of services	6,932,929	6,815,997
	<u>6,932,929</u>	<u>6,815,997</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	499,104	466,316
Fees payable for the audit of the Company's annual financial statements	21,000	18,600
Defined contribution pension cost	96,878	93,665
	<u>616,982</u>	<u>578,581</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	2,848,453	2,675,612
Social security costs	199,558	195,301
Cost of defined contribution scheme	96,878	93,665
	<u>3,144,889</u>	<u>2,964,578</u>

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

	2017 No.	2016 No.
Full time	106	103
Part time	32	21
	<u>138</u>	<u>124</u>

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	150,566	136,638
Company contributions to defined contribution pension schemes	10,877	7,828
Excess retirement benefits paid to directors and past directors	39,783	38,150
	<u>201,226</u>	<u>182,616</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2017 £	2016 £
Interest on bank loans and overdrafts	148,471	167,431
	<u>148,471</u>	<u>167,431</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

9. Taxation

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	-	42,782
Total deferred tax	-	42,782

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	12,496	124,170
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	2,499	24,834
Effects of:		
Expenses not deductible for tax purposes	207	135
Capital allowances for year in excess of depreciation	26,349	(69)
Utilisation of tax losses	(29,055)	17,882
Total tax charge for the year	-	42,782

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

10. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2016	10,301,829	3,062,259	13,364,088
Additions	-	235,339	235,339
At 31 March 2017	10,301,829	3,297,598	13,599,427
Depreciation			
At 1 April 2016	2,444,024	1,823,593	4,267,617
Charge for the period on owned assets	201,507	297,597	499,104
At 31 March 2017	2,645,531	2,121,190	4,766,721
Net book value			
At 31 March 2017	7,656,298	1,176,408	8,832,706
At 31 March 2016	7,857,805	1,238,666	9,096,471

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

	2017 £	2016 £
Finished goods and goods for resale	349,430	312,438
	349,430	312,438

The amount of stock recognised as an expense in the profit and loss during the period was £1,212,558 (2016 - £1,181,959).

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

12. Debtors

	2017 £	2016 £
Trade debtors	294,662	208,761
Prepayments and accrued income	22,565	30,973
	<u>317,227</u>	<u>239,734</u>

13. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	2,905	3,006
Less: bank overdrafts	(312,750)	(10,663)
	<u>(309,845)</u>	<u>(7,657)</u>

14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	312,750	10,663
Bank loans	365,020	342,444
Trade creditors	247,524	322,337
Other taxation and social security	266,425	284,642
Other creditors	1,033,251	1,045,210
Accruals and deferred income	69,422	80,109
	<u>2,294,392</u>	<u>2,085,405</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.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	4,539,477	4,910,341
	<u>4,539,477</u>	<u>4,910,341</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 £2,975,291 (2016 - £3,433,657) 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%.

16. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	294,662	208,761
	<u>294,662</u>	<u>208,761</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(5,537,913)	(5,673,032)
	<u>(5,537,913)</u>	<u>(5,673,032)</u>

17. Deferred taxation

	2017 £
At beginning of year	(201,263)
Utilised in year	-
At end of year	<u>(201,263)</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(363,411)
Tax losses carried forward	160,938
Other timing differences	1,210
	<u>(201,263)</u>

18. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
4,968 Ordinary Class A Shares shares of £1 each	4,968	4,968
4,968 Ordinary Class B Shares shares of £1 each	4,968	4,968
4,968 Ordinary Class C Shares shares of £1 each	4,968	4,968
4,968 Ordinary Class D Shares shares of £1 each	4,968	4,968
	<u>19,872</u>	<u>19,872</u>

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

19. Reserves

Revaluation reserve

This reserve shows the value of historic asset revaluations.

Profit and loss account

This reserve records retained earnings and accumulated losses.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £96,878 (2016 - £93,665). Contributions totalling £4,064 (2016 - £6,723) were payable to the fund at the reporting date

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

21. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	36,912	60,241
Later than 1 year and not later than 5 years	26,540	23,548
	<u>63,452</u>	<u>83,789</u>

The Company recognised operating lease payments of £65,941 (2016 - £20,500) during the year.

22. 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.

23. Controlling party

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