

REGISTERED NUMBER: 00254708 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018
FOR
GREAT FOSTERS (1931) LIMITED

Vista Audit LLP
Chartered Accountants
Statutory Auditor
Chancery House
3 Hatchlands Road
Redhill
Surrey
RH1 6AA

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FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

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GREAT FOSTERS (1931) LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

DIRECTORS:

P S Hinchcliffe
Mrs D Hinchcliffe

SECRETARY:

M R Thomas

REGISTERED OFFICE:

No 1 St Pauls Square
Liverpool
Merseyside
L3 9SJ

REGISTERED NUMBER:

00254708 (England and Wales)

AUDITORS:

Vista Audit LLP
Chartered Accountants
Statutory Auditor
Chancery House
3 Hatchlands Road
Redhill
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STRATEGIC REPORT
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

The directors present their strategic report for the period 1 April 2018 to 6 November 2018.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

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

Despite difficult trading conditions the weak pound and its effect on inbound tourism and the warm summer has resulted in revenue increasing by 0.2%. With the exception of restaurant services all other sectors of the business performed well.

On a more challenging note a shortage of skilled labour continued to erode margins and pushed wages and salaries beyond initial forecasts. These along with a marked increase in maintenance costs and legal and professional fees resulted in the hotel declaring a net pre-tax loss for the period of £709k.

Since the period end ownership of the company has changed, The new owners have made the decision to transfer the trade and assets of the company to its parent company. This company ceased trading on 31 March 2019.

STRATEGIC REPORT
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

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 purpose of these financial instruments is to finance the company's operations.

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

Liquidity and cash flow risk

The company was acquired on 7 November 2018 by an independent third party, this third party has subsequently repaid the company's borrowings and provided additional working capital. As the loan has been repaid after the period end the borrowings have been reclassified as current liabilities.

The liquidity and cash flow risks are 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 period end. The debt service cover is less than 1 (2018: - 1.01). This is not within the required covenants but the loan has been repaid in full after the period end.

Gross profit margin

The gross profit margin is 74% (2018: 78%). The reduction is due to a reclassification of items previously treated as stock.

Cashflow

Overall the borrowings of the company including the bank overdraft and loans reduced by £119,600 during the period. This has been monitored and managed 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.

ON BEHALF OF THE BOARD:

P S Hinchcliffe - Director

21 August 2019

REPORT OF THE DIRECTORS
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

The directors present their report with the financial statements of the company for the period 1 April 2018 to 6 November 2018.

The company changed its year-end from 31 March to 6 November as the ownership of the company changed.

The figures therefore for the current period are for 7 months and the comparatives for a year.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the operation of a hotel and catering establishment.

DIVIDENDS

No dividends were distributed for the period ended 6 November 2018.

FUTURE DEVELOPMENTS

After the period end ownership of the company changed. The new owners made the decision for the company to cease trading on 31 March 2019 when the trade and assets were transferred to its parent undertaking.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTOR

The following directors held office during the whole of the period from 1 April 2018 to the date of this report.

Mr A.H.W. Sutcliffe QC
Mr J. Sutcliffe
Mr J.J.R. Raison
Mrs V. Raison
R. Young
Mr W.J. Plummer
S.A. Barrett
Mrs H.C. Williams
Mr J.H. Field
Mrs A.T. Field
Mrs M. Gardner

Post balance sheet date changes in the directors holding office are as follows:

Mr P S Hinchcliffe - appointed 7 November 2018
Mrs D Hinchcliffe - appointed 7 November 2018

Mr A.H.W. Sutcliffe QC - resigned 7 November 2018
Mr J. Sutcliffe - resigned 7 November 2018
Mr J.J.R. Raison - resigned 7 November 2018
Mrs V. Raison - resigned 7 November 2018
R. Young - resigned 7 November 2018
Mr W.J. Plummer - resigned 7 November 2018
S.A. Barrett - resigned 7 November 2018
Mrs H.C. Williams - resigned 7 November 2018
Mr J.H. Field - resigned 7 November 2018
Mrs A.T. Field - resigned 7 November 2018
Mrs M. Gardner - resigned 7 November 2018

DISCLOSURE 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.

REPORT OF THE DIRECTORS
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Vista Audit LLP were appointed as auditors to the company on 7 November 2018.

The auditors, Vista Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P S Hinchcliffe - Director

21 August 2019

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

Opinion

We have audited the financial statements of Great Fosters (1931) Limited (the 'company') for the period ended 6 November 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 6 November 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Emphasis of matter - basis of preparation of the financial statements

We draw attention to note 3 to the financial statements which explains that the directors have transferred the trade and assets of the company to its parent after the period end. The directors do not consider that there would be adjustments if the accounts were prepared on an alternative to the going concern basis of accounting as the assets will be realised and liabilities settled.

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Jones FCA (Senior Statutory Auditor)
for and on behalf of Vista Audit LLP
Chartered Accountants
Statutory Auditor
Chancery House
3 Hatchlands Road
Redhill
Surrey
RH1 6AA

27 August 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

	Notes	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
TURNOVER	4	4,381,187	7,253,060
Cost of sales		<u>1,138,909</u>	<u>1,616,454</u>
GROSS PROFIT		3,242,278	5,636,606
Administrative expenses		<u>3,865,465</u>	<u>5,654,964</u>
OPERATING LOSS	6	(623,187)	(18,358)
Interest payable and similar expenses	7	<u>86,736</u>	<u>138,191</u>
LOSS BEFORE TAXATION		(709,923)	(156,549)
Tax on loss	8	<u>(98,352)</u>	<u>61,108</u>
LOSS FOR THE FINANCIAL PERIOD		(611,571)	(217,657)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIOD		<u>(611,571)</u>	<u>(217,657)</u>

The notes form part of these financial statements

GREAT FOSTERS (1931) LIMITED (REGISTERED NUMBER: 00254708)**STATEMENT OF FINANCIAL POSITION**
6 NOVEMBER 2018

	Notes	2018 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	9		8,086,977		8,363,586
CURRENT ASSETS					
Stocks	10	90,577		338,152	
Debtors	11	190,671		307,523	
Cash in hand		<u>3,230</u>		<u>3,308</u>	
		284,478		648,983	
CREDITORS					
Amounts falling due within one year	12	<u>6,528,207</u>		<u>2,252,879</u>	
NET CURRENT LIABILITIES			<u>(6,243,729)</u>		<u>(1,603,896)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,843,248		6,759,690
CREDITORS					
Amounts falling due after more than one year	13		(41,321)		(4,247,840)
PROVISIONS FOR LIABILITIES	17		<u>(164,019)</u>		<u>(262,371)</u>
NET ASSETS			<u>1,637,908</u>		<u>2,249,479</u>
CAPITAL AND RESERVES					
Called up share capital	18		19,872		19,872
Revaluation reserve	19		11,746		11,746
Retained earnings	19		<u>1,606,290</u>		<u>2,217,861</u>
SHAREHOLDERS' FUNDS			<u>1,637,908</u>		<u>2,249,479</u>

The financial statements were approved and authorised issue by the Board of Directors on 21 August 2019 and were signed on its behalf by:

P S Hinchcliffe - Director

GREAT FOSTERS (1931) LIMITED (REGISTERED NUMBER: 00254708)

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2017	19,872	2,435,518	11,746	2,467,136
Changes in equity				
Total comprehensive income	-	(217,657)	-	(217,657)
Balance at 31 March 2018	19,872	2,217,861	11,746	2,249,479
Changes in equity				
Total comprehensive income	-	(611,571)	-	(611,571)
Balance at 6 November 2018	19,872	1,606,290	11,746	1,637,908

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

	Notes	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Cash flows from operating activities			
Cash generated from operations	1	211,785	495,025
Interest paid		<u>(86,736)</u>	<u>(138,191)</u>
Net cash from operating activities		<u>125,049</u>	<u>356,834</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(26,022)</u>	<u>(54,583)</u>
Net cash from investing activities		<u>(26,022)</u>	<u>(54,583)</u>
Cash flows from financing activities			
Loan repayments in year		(161,926)	(362,381)
Amount withdrawn by directors		<u>20,494</u>	<u>-</u>
Net cash from financing activities		<u>(141,432)</u>	<u>(362,381)</u>
Decrease in cash and cash equivalents		<u>(42,405)</u>	<u>(60,130)</u>
Cash and cash equivalents at beginning of period	2	<u>(369,975)</u>	<u>(309,845)</u>
Cash and cash equivalents at end of period	2	<u><u>(412,380)</u></u>	<u><u>(369,975)</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Loss before taxation	(709,923)	(156,549)
Depreciation charges	302,630	523,703
Finance costs	86,736	138,191
	<u>(320,557)</u>	<u>505,345</u>
Decrease in stocks	247,575	11,278
Decrease in trade and other debtors	96,358	12,304
Increase/(decrease) in trade and other creditors	188,409	(33,902)
Cash generated from operations	<u>211,785</u>	<u>495,025</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 6 November 2018

	6/11/18 £	1/4/18 £
Cash and cash equivalents	3,230	3,308
Bank overdrafts	<u>(415,610)</u>	<u>(373,283)</u>
	<u>(412,380)</u>	<u>(369,975)</u>

Year ended 31 March 2018

	31/3/18 £	1/4/17 £
Cash and cash equivalents	3,308	2,905
Bank overdrafts	<u>(373,283)</u>	<u>(312,750)</u>
	<u>(369,975)</u>	<u>(309,845)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

1. STATUTORY INFORMATION

Great Fosters (1931) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

On 31 March 2019 the company ceased trading and transferred its trade and assets intra-group to its parent undertaking. The company has been able to realise its assets and discharge its liabilities. The directors consider that no adjustments are necessary to the financial statements to reflect the fact that the company is not a going concern and therefore that the accounts have been prepared on an appropriate basis.

Significant judgements and estimates

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

-Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover

Turnover is recognised when the significant risks and rewards of the goods and services provided are transferred to the buyer, the amount of turnover can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the company.

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Turnover for the company comprises the following streams:

- i) Sale of goods - Turnover from the sale of food and beverages is recognised at the point of sale.
- ii) Rendering of services - Turnover from room sales and other guest services is recognised when rooms are occupied and as services are provided.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any 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.

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 group. 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.

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. The estimated useful lives range as follows:

Freehold buildings - 2 % on cost
Plant and machinery - 15% on cost
Fixtures and fittings - 15% on cost
Computer equipment - 25% on cost
Motor vehicles - 25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'other operating income' in the statement of comprehensive income.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced accordingly. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

3. ACCOUNTING POLICIES - continued

Financial instruments

Basic financial assets, which include trade debtors, other debtors, cash and bank balances, amounts owed by directors, are initially measured at the transaction price including transaction costs and are subsequently recognised at amortised cost.

Basic financial liabilities, including trade creditors and other creditors are initially recognised at transaction price and are subsequently recognised at amortised cost.

Bank loans, classified as basic financial instruments, are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, bank loans are stated at amortised cost using the effective interest method less any impairment losses.

Classification of financial liabilities

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

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Rentals paid under operating leases are charged to profit and loss on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018**3. ACCOUNTING POLICIES - continued****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.

Interest receivable and interest payable

Interest income and interest payable are recognised in profit and loss as they accrue, using effective interest method.

4. TURNOVER

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

An analysis of turnover by class of business is given below:

	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Sale of goods	2,497,806	4,366,619
Rendering of services	<u>1,883,381</u>	<u>2,886,441</u>
	<u>4,381,187</u>	<u>7,253,060</u>

5. EMPLOYEES AND DIRECTORS

	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Wages and salaries	2,005,444	3,068,358
Social security costs	126,165	229,981
Other pension costs	<u>41,255</u>	<u>52,857</u>
	<u>2,172,864</u>	<u>3,351,196</u>

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

	Period 1/4/18 to 6/11/18	Year Ended 31/3/18
Full time	118	122
Part time	<u>15</u>	<u>12</u>
	<u>133</u>	<u>134</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018**5. EMPLOYEES AND DIRECTORS - continued**

	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Director's remuneration	100,691	143,064
Director's pension contributions to money purchase schemes	<u>4,510</u>	<u>8,218</u>

6. OPERATING LOSS

The operating loss is stated after charging:

	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Hire of plant and machinery	68,631	77,625
Other operating leases	172,591	281,279
Depreciation - owned assets	302,631	523,703
Auditors' remuneration	<u>17,200</u>	<u>21,000</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Bank loan interest	<u>86,736</u>	<u>138,191</u>

8. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the period was as follows:

	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Deferred tax	(98,352)	61,108
Tax on loss	<u>(98,352)</u>	<u>61,108</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018**8. TAXATION - continued****Reconciliation of total tax (credit)/charge included in profit and loss**

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

	Period 1/4/18 to 6/11/18 £	Year Ended 31/3/18 £
Loss before tax	<u>(709,923)</u>	<u>(156,549)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(134,885)	(29,744)
Effects of:		
Expenses not deductible for tax purposes	4,488	796
Capital allowances in excess of depreciation	(31,591)	(39,336)
Utilisation of tax losses	<u>63,636</u>	<u>129,392</u>
Total tax (credit)/charge	<u>(98,352)</u>	<u>61,108</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2018	10,305,162	3,348,848	13,654,010
Additions	-	26,022	26,022
At 6 November 2018	<u>10,305,162</u>	<u>3,374,870</u>	<u>13,680,032</u>
DEPRECIATION			
At 1 April 2018	2,847,658	2,442,766	5,290,424
Charge for period	<u>121,235</u>	<u>181,396</u>	<u>302,631</u>
At 6 November 2018	<u>2,968,893</u>	<u>2,624,162</u>	<u>5,593,055</u>
NET BOOK VALUE			
At 6 November 2018	<u>7,336,269</u>	<u>750,708</u>	<u>8,086,977</u>
At 31 March 2018	<u>7,457,504</u>	<u>906,082</u>	<u>8,363,586</u>

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018****10. STOCKS**

	2018	2018
	£	£
Finished goods and goods for resale	<u>90,577</u>	<u>338,152</u>

The amount of stock recognised as an expense in the profit and loss during the period was £1,004,114 (2018: £1,340,886).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2018
	£	£
Trade debtors	113,807	236,990
Other debtors	4,309	2,600
Directors' current accounts	18,773	39,267
Prepayments and accrued income	<u>53,782</u>	<u>28,666</u>
	<u>190,671</u>	<u>307,523</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2018
	£	£
Bank loans and overdrafts (see note 14)	4,795,799	731,184
Trade creditors	419,467	315,326
Social security and other taxes	59,166	55,619
VAT	312,110	219,063
Other creditors	30,562	13,317
Deferred income	686,846	805,508
Accrued expenses	<u>224,257</u>	<u>112,862</u>
	<u>6,528,207</u>	<u>2,252,879</u>

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

	2018	2018
	£	£
Bank loans (see note 14)	-	4,184,215
Deferred income	<u>41,321</u>	<u>63,625</u>
	<u>41,321</u>	<u>4,247,840</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2018	2018
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	415,610	373,283
Bank loans	<u>4,380,189</u>	<u>357,901</u>
	<u>4,795,799</u>	<u>731,184</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018**14. LOANS - continued**

	2018 £	2018 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	4,184,215

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 bank loan has been reclassified as due in less than one year as this loan was repaid within twelve months of the balance sheet date.

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

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2018 £
Within one year	38,736	58,680
Between one and five years	50,227	15,637
	<u>88,963</u>	<u>74,317</u>

The Company recognised operating lease payments of £68,626 (2018: £62,481) during the period.

16. FINANCIAL INSTRUMENTS

	2018 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	140,119	282,165
Financial liabilities		
Financial liabilities measured at amortised cost	(6,198,252)	(6,226,037)

17. PROVISIONS FOR LIABILITIES

	2018 £	2018 £
Deferred tax	<u>164,019</u>	<u>262,371</u>
		Deferred tax
		£
Balance at 1 April 2018		262,371
Credit to Statement of Comprehensive Income during period		<u>(98,352)</u>
Balance at 6 November 2018		<u>164,019</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018****17. PROVISIONS FOR LIABILITIES - continued**

The provision for deferred taxation is made up as follows:

	2018 £	2018 £
Accelerated capital allowance	328,823	360,414
Tax losses carried forward	(160,190)	(95,438)
Other timing differences	(4,614)	(2,605)
	<u>164,019</u>	<u>262,371</u>

The tax rate used for the above provision is 17% as the changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include a reduction to the main rate of corporation tax to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

18. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid:

Number	Class	Nominal value:	2018 £	2018 £
4,968	Ordinary Class A	£1	4,968	4,968
4,968	Ordinary Class B	£1	4,968	4,968
4,968	Ordinary Class C	£1	4,968	4,968
4,968	Ordinary Class D	£1	4,968	4,968
			<u>19,872</u>	<u>19,872</u>

The A, B, C and D Ordinary shares are separate classes of shares and shall carry the respective voting rights and rights to appoint and remove directors and be subject to the restrictions on transfer hereinafter provided, but in all other respects shall rank pari passu.

19. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2018	2,217,861	11,746	2,229,607
Deficit for the period	(611,571)		(611,571)
At 6 November 2018	<u>1,606,290</u>	<u>11,746</u>	<u>1,618,036</u>

Revaluation reserve

This reserve shows the value of historic asset revaluations.

Profit and loss account

This reserve records retained earnings and accumulated losses.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 6 NOVEMBER 2018

20. PENSION COMMITMENTS

The Company operates a defined contribution 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 £41,255 (2018: £93,053). Included in other creditors, contributions totalling £28,760 (2018: £7,806) were payable to the fund at the reporting date.

21. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

During the period amounts totalling £39,267 were repaid by the directors, and amounts totalling £18,773 were advanced to the directors, the loan is interest free and repayable on demand.

At the balance sheet date, the company was owed £18,773 (2018: £39,267) by the directors, of this amount £18,500 was owed by directors who are also shareholders.

22. POST BALANCE SHEET EVENTS

On 7 November 2018 the company was acquired by Utopia Leisure Limited.

The company ceased trading on 31 March 2019 when the trade and assets were transferred intra-group to its parent undertaking.

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