Company Registration No. SC207645 (Scotland)

FOVERAN HOTEL LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

PAGES FOR FILING WITH REGISTRAR

FOVERAN HOTEL LIMITED

COMPANY INFORMATION

Directors	H S Doull S D Doull P R Doull H E Doull
Secretary	S D Doull
Company number	SC207645
Registered office	Foveran Hotel St Ola Kirkwall Orkney KW15 1SF
Accountants	A.J.B. Scholes Limited 8 Albert Street Kirkwall Orkney KW15 1HP
Bankers	Royal Bank of Scotland 1 Victoria Street Kirkwall Orkney KW15 1DP
Solicitors	Lows 5 Broad Street Kirkwall Orkney KW15 1DH

FOVERAN HOTEL LIMITED

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FOVERAN HOTEL LIMITED

REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF FOVERAN HOTEL LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Foveran Hotel Limited for the year ended 30 June 2017 set out on pages to 9 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the ICAS we are subject to its ethical and other professional requirements which are detailed at https://www.icas.com/FrameworkforthePreparationofAccounts.

This report is made solely to the Board of Directors of Foveran Hotel Limited, as a body, in accordance with the terms of our engagement letter dated 12 September 2008. Our work has been undertaken solely to prepare for your approval the financial statements of Foveran Hotel Limited and state those matters that we have agreed to state to the Board of Directors of Foveran Hotel Limited, as a body, in this report in accordance with the requirements of the ICAS as detailed at https://www.icas.com/FrameworkforthePreparationofAccounts. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Foveran Hotel Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Foveran Hotel Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Foveran Hotel Limited. You consider that Foveran Hotel Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Foveran Hotel Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

A.J.B. Scholes Limited

Chartered Accountants

5 September 2017

8 Albert Street
Kirkwall
Orkney
KW15 1HP

FOVERAN HOTEL LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	3		687,617		709,632
Current assets					
Stocks		13,015		10,487	
Debtors	4	14,124		10,358	
Cash at bank and in hand		162,601		91,053	
		189,740		111,898	
Creditors: amounts falling due within one year	5	(384,371)		(398,877)	
Net current liabilities			(194,631)		(286,979)
Total assets less current liabilities			492,986		422,653
Creditors: amounts falling due after more than one year	6		(9,828)		(9,828)
Provisions for liabilities			(26,231)		(28,470)
Deferred income	8		(22,229)		(23,926)
Net assets			434,698		360,429
Capital and reserves					
Called up share capital	9		7		4
Share premium account			150,000		150,000
Profit and loss reserves			284,691		210,425
Total equity			434,698		360,429

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

For the financial year ended 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2017

The financial statements were approved by the board of directors and authorised for issue on 5 September 2017 and are signed on its behalf by:

H S Doull
Director

Company Registration No. SC207645

1 Accounting policies

Company information

Foveran Hotel Limited is a private company limited by shares incorporated in Scotland. The registered office is Foveran Hotel, St Ola, Kirkwall, Orkney, KW15 1SF.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2017 are the first financial statements of Foveran Hotel Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

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

1.3 Tangible fixed assets

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

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

Land and buildings Freehold	2% straight line basis
Plant and machinery	20% reducing balance basis/ 5% straight line basis (wind turbine)
Fixtures, fittings & equipment	15% reducing balance basis

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

1.4 Impairment of fixed assets

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

1 Accounting policies **(Continued)**

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

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

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

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials for resale, and certain items held for consumption in the course of normal trade.

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

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.9 Taxation

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

Current tax

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

Deferred tax

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

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

1.10 Employee benefits

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

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

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

1 Accounting policies **(Continued)**

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

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

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 31 (2016 - 29).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 July 2016	687,828	224,060	911,888
Additions	-	10,487	10,487
Disposals	-	(12,912)	(12,912)
At 30 June 2017	687,828	221,635	909,463
Depreciation and impairment			
At 1 July 2016	72,161	130,098	202,259
Depreciation charged in the year	13,754	13,855	27,609
Eliminated in respect of disposals	-	(8,022)	(8,022)
At 30 June 2017	85,915	135,931	221,846
Carrying amount			
At 30 June 2017	601,913	85,704	687,617
At 30 June 2016	615,667	93,965	709,632

4 Debtors

Amounts falling due within one year:	2017 £	2016 £
Trade debtors	1,153	1,558
Other debtors	12,971	8,800
	14,124	10,358

5 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	38,931	32,624
Corporation tax	30,343	26,005
Other taxation and social security	31,210	20,539
Other creditors	283,887	319,709
	384,371	398,877

Creditors falling due within one year include loans from the directors of £231,851 (2016: £271,848) which are non interest bearing and not subject to any formal repayment terms.

6 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	9,828	9,828

7 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	26,231	28,470
	26,231	28,470

8 Government grants

The company received grants towards the acquisition of certain tangible assets. These grants shall be released to the profit and loss account in line with the consumption of the assets to which they relate.

9 **Called up share capital**

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
Ordinary shares of £1 each	-	4
1 Ordinary A1 shares of £1 each	1	-
1 Ordinary A2 shares of £1 each	1	-
1 Ordinary B1 shares of £1 each	1	-
1 Ordinary B2 shares of £1 each	1	-
1 Ordinary A3 shares of £1 each	1	-
1 Ordinary A4 shares of £1 each	1	-
1 Ordinary B3 shares of £1 each	1	-
	7	4

Reconciliation of movements during the year:

	Ordinary shares
	Number
At 1 July 2016	4
Issue of fully paid shares	3
At 30 June 2017	7

During the year, the company's issued share capital was redesignated as one share each £1 Ordinary A1, A2, B1 and B2 shares. In the same period the company issued one share each £1 Ordinary A3, A4 and B3 shares, for consideration equal to their par value.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.