

Headlam Leisure Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 January 2017

Headlam Leisure Limited

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Headlam Leisure Limited

Company Information

Directors	Mr J H Robinson
	Mr T G J Robinson
	Mr S H J Robinson
	Mrs S C Metcalfe
	Mrs A O B Robinson
	Mr D J Jackson
Registered office	Headlam Hall Hotel
	Headlam
	Gainford Darlington
	Co Durham
	DL2 3HA
Accountants	Murray Harcourt Partners LLP
	Elizabeth House
	13-19 Queen Street
	Leeds
	West Yorkshire
	LS1 2TW

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Headlam Leisure Limited
for the Year Ended 31 January 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Headlam Leisure Limited for the year ended 31 January 2017 as set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icacw.com/cn/mcmbers/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Headlam Leisure Limited, as a body, in accordance with the terms of our engagement letter dated 11 September 2014. Our work has been undertaken solely to prepare for your approval the accounts of Headlam Leisure Limited and state those matters that we have agreed to state to the Board of Directors of Headlam Leisure Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Headlam Leisure Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Headlam Leisure Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Headlam Leisure Limited. You consider that Headlam Leisure 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 accounts of Headlam Leisure 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 accounts.

.....
Murray Harcourt Partners LLP
Elizabeth House
13-19 Queen Street
Leeds
West Yorkshire
LS1 2TW

14 September 2017

Headlam Leisure Limited
(Registration number: 01902810)
Balance Sheet as at 31 January 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>4</u>	1,040,783	1,182,023
Investments	<u>5</u>	100	100
		<u>1,040,883</u>	<u>1,182,123</u>
Current assets			
Stocks	<u>6</u>	33,401	36,291
Debtors	<u>7</u>	1,190,272	1,165,900
Cash at bank and in hand		278,601	53,393
		<u>1,502,274</u>	<u>1,255,584</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(454,735)</u>	<u>(534,668)</u>
Net current assets		<u>1,047,539</u>	<u>720,916</u>
Total assets less current liabilities		2,088,422	1,903,039
Creditors: Amounts falling due after more than one year	<u>8</u>	(418,693)	(159,657)
Provisions for liabilities		<u>(101,518)</u>	<u>(59,125)</u>
Net assets		<u><u>1,568,211</u></u>	<u><u>1,684,257</u></u>
Capital and reserves			
Called up share capital		100	100
Share premium reserve		111,252	111,252
Profit and loss account		<u>1,456,859</u>	<u>1,572,905</u>
Total equity		<u><u>1,568,211</u></u>	<u><u>1,684,257</u></u>

For the financial year ending 31 January 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 5 to 12 form an integral part of these financial statements.

Headlam Leisure Limited

(Registration number: 01902810)

Balance Sheet as at 31 January 2017

Approved and authorised by the Board on 12 September 2017 and signed on its behalf by:

.....

Mr J H Robinson

Director

.....

Mr T G J Robinson

Director

The notes on pages 5 to 12 form an integral part of these financial statements.

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Headlam Leisure Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Headlam Hall Hotel
Headlam
Gainford Darlington
Co Durham
DL2 3HA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The accounts are presented in sterling and rounded to the nearest £1.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	straight line over the length of the lease
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Headlam Leisure Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Headlam Leisure Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) in the year, was 61 (2016 - 64).

Headlam Leisure Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 February 2016	3,396,354	1,139,746	100,313	232,041	4,868,454
Additions	98,630	174,486	58,587	19,782	351,485
Disposals	-	-	(24,898)	-	(24,898)
At 31 January 2017	3,494,984	1,314,232	134,002	251,823	5,195,041
Depreciation					
At 1 February 2016	2,927,598	570,194	67,962	120,677	3,686,431
Charge for the year	313,769	112,379	11,601	37,780	475,529
Eliminated on disposal	-	-	(7,702)	-	(7,702)
At 31 January 2017	3,241,367	682,573	71,861	158,457	4,154,258
Carrying amount					
At 31 January 2017	253,617	631,659	62,141	93,366	1,040,783
At 31 January 2016	468,756	569,552	32,351	111,364	1,182,023

Included within the net book value of land and buildings above is £253,617 (2016 - £468,756) in respect of long leasehold land and buildings.

Headlam Leisure Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

5 Investments

	2017 £	2016 £
Investments in subsidiaries	100	100
Subsidiaries		£
Cost or valuation		
At 1 February 2016		100
Provision		
Carrying amount		
At 31 January 2017		100
At 31 January 2016		100

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Romaldrose Limited		Ordinary	100%	100%
	England & Wales			

The principal activity of Romaldrose Limited is the provision of a hotel, restaurant and public house.

The profit for the financial period of Romaldrose Limited was £2,620 and the aggregate amount of capital and reserves at the end of the period was £(175,994).

6 Stocks

	2017 £	2016 £
Raw materials and consumables	12,935	14,056
Finished goods and goods for resale	20,466	22,235
	33,401	36,291

Headlam Leisure Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

7 Debtors

	Note	2017 £	2016 £
Trade debtors		58,018	58,025
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>11</u>	1,062,705	1,049,482
Other debtors		69,549	58,393
Total current trade and other debtors		<u>1,190,272</u>	<u>1,165,900</u>

8 Creditors

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	48,493	32,828
Trade creditors		106,104	222,467
Taxation and social security		101,578	52,693
Other creditors		198,560	226,680
		<u>454,735</u>	<u>534,668</u>

Due after one year

Loans and borrowings	<u>9</u>	<u>418,693</u>	<u>159,657</u>
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	2017 £	2016 £
After more than five years by instalments	227,531	-
	<u>227,531</u>	<u>-</u>

9 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	410,805	159,657
Finance lease liabilities	7,888	-
	<u>418,693</u>	<u>159,657</u>

Headlam Leisure Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	41,211	32,828
Finance lease liabilities	7,282	-
	<u>48,493</u>	<u>32,828</u>

Bank borrowings

RBS Bank loan 1 is denominated in sterling with a nominal interest rate of 1.4%, and the final instalment is due on 21 December 2021. The carrying amount at year end is £123,555 (2016 - £146,874).

RBS Bank loan 2 is denominated in sterling with a nominal interest rate of 3% over base rate, and the final instalment is due on 12 August 2016. The carrying amount at year end is £Nil (2016 - £45,611).

RBS Bank loan 3 is denominated in sterling with a nominal interest rate of 2.5%, and the final instalment is due on 3 February 2031. The carrying amount at year end is £328,462 (2016 - £Nil).

The Royal Bank of Scotland PLC holds a fixed and floating charge over all property and assets of the company, present and future.

Included in the loans and borrowings are the following amounts due after more than five years:

Bank loans and overdrafts after five years

The RBS Bank loan 3 is payable by monthly instalments, the final repayment being due on 3 February 2031. Interest is payable at 2.5% per annum.

10 Dividends

Final dividends paid

	2017 £	2016 £
Final dividend of £500 (2016 - £250) per each ordinary share	50,000	25,000

11 Related party transactions

Romaldrose Limited

(Subsidiary)

Management fees received during the year were £10,000 (2016: £10,000). At the balance sheet date the amount due from Romaldrose Limited was £1,062,704 (2016: £1,049,481). The loan is interest free and repayable on demand.

Headlam Leisure Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

12 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. In view of this, the financial statements for the prior year are also required to be adjusted to an FRS 102 basis and accordingly the Company is now presenting financial statements that include comparative figures prepared in accordance with FRS 102. The date of transition to FRS 102 is 1st February 2015.

Debtors

Under previous UK GAAP the company showed the subsidiary company loan as falling due after one year. On transition to FRS 102 the company has elected to show this falling due within one year as no interest is being charged and the loan has no fixed term. There has been no effect on the profit and loss account.

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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.