

REGISTERED NUMBER: 02829190 (England and Wales)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 September 2019
for
Grand Hotel (St. Annes) Limited**

**Contents of the Consolidated Financial Statements
for the Year Ended 30 September 2019**

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Grand Hotel (St. Annes) Limited

**Company Information
for the Year Ended 30 September 2019**

DIRECTORS:

Mr R J Webb
Mrs A J Webb
Mr S Webb
Mr T Webb

SECRETARY:

Mrs A J Webb

REGISTERED OFFICE:

South Promenade
Lytham St Annes
Lancashire
FY8 1NB

REGISTERED NUMBER:

02829190 (England and Wales)

AUDITORS:

Ashworth Treasure Limited
Statutory Auditors
17-19 Park Street
Lytham
Lancashire
FY8 5LU

**Group Strategic Report
for the Year Ended 30 September 2019**

The directors present their strategic report of the company and the group for the year ended 30 September 2019.

REVIEW OF BUSINESS

The results for the year and financial position are shown in the annexed financial statements.

The group trades as exclusive hotels, restaurants and SPA in both St Annes and Grasmere.

The hotels continue to perform well with constant reinvestment to maintain standards of quality and are committed to implementing the latest technology to provide the customer with an enhanced experience.

The groups turnover for the year was £4,262,186 (2018 - £4,451,565). Profits before tax were £420,632 (2018 - £434,729). Turnover has decreased due to the conscious decision by management to dispense with the larger functions throughout the year. The group continues to invest heavily in fixed assets and refurbishment. The directors are of the opinion that the properties should be well maintained and regularly updated.

The group maintains a very strong balance sheet position at the end of the year.

The directors are happy with the group's current position and are confident that the quality reputation of their hotels will produce good results in the forthcoming years.

PRINCIPAL RISKS AND UNCERTAINTIES

Sales income streams are constantly shifting. The management team monitor this by measuring performance and reacting accordingly by implementing marketing campaigns. This is aimed at increasing turnover whilst constantly maintaining high levels of quality and customer satisfaction. Management seek constantly to exploit the potential still remaining.

Future plans are to encourage growth also in the private sector providing a high quality dining experience and possible introduction of themed breaks.

ON BEHALF OF THE BOARD:

Mrs A J Webb - Secretary

15 January 2020

**Report of the Directors
for the Year Ended 30 September 2019**

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2019.

DIVIDENDS

Total dividends paid in the year amounted to £302,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2018 to the date of this report.

Mr R J Webb
Mrs A J Webb
Mr S Webb
Mr T Webb

DISCLOSURE IN THE STRATEGIC REPORT

The strategic report on the preceding page provides information regarding the performance, developments, and risks and uncertainties of the group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Ashworth Treasure Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mrs A J Webb - Secretary

15 January 2020

Report of the Independent Auditors to the Members of Grand Hotel (St. Annes) Limited

Opinion

We have audited the financial statements of Grand Hotel (St. Annes) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 30 September 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group 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 group'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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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 Group 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 Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Report of the Independent Auditors to the Members of Grand Hotel (St. Annes) Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 group or the parent 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.

Victoria Reynolds (Senior Statutory Auditor)
for and on behalf of Ashworth Treasure Limited
Statutory Auditors
17-19 Park Street
Lytham
Lancashire
FY8 5LU

15 January 2020

**Consolidated Income Statement
for the Year Ended 30 September 2019**

	Notes	2019 £	2018 £
TURNOVER		4,262,186	4,451,565
Cost of sales		<u>800,026</u>	<u>835,278</u>
GROSS PROFIT		3,462,160	3,616,287
Administrative expenses		<u>2,877,054</u>	<u>3,029,367</u>
OPERATING PROFIT	5	585,106	586,920
Interest receivable and similar income		<u>7,270</u>	<u>7,322</u>
		592,376	594,242
Interest payable and similar expenses	6	<u>171,744</u>	<u>159,513</u>
PROFIT BEFORE TAXATION		420,632	434,729
Tax on profit	7	<u>79,988</u>	<u>82,762</u>
PROFIT FOR THE FINANCIAL YEAR		<u>340,644</u>	<u>351,967</u>
Profit attributable to: Owners of the parent		<u>340,644</u>	<u>351,967</u>

**Consolidated Other Comprehensive Income
for the Year Ended 30 September 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		340,644	351,967
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>340,644</u>	<u>351,967</u>
Total comprehensive income attributable to: Owners of the parent		<u>340,644</u>	<u>351,967</u>

Consolidated Balance Sheet
30 September 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	10		13,349		53,345
Tangible assets	11		11,702,276		11,883,429
Investments	12		-		-
			<u>11,715,625</u>		<u>11,936,774</u>
CURRENT ASSETS					
Stocks	13	59,501		60,691	
Debtors	14	375,442		452,524	
Cash at bank and in hand		<u>30,852</u>		<u>40,955</u>	
		465,795		554,170	
CREDITORS					
Amounts falling due within one year	15	<u>1,237,856</u>		<u>1,234,353</u>	
NET CURRENT LIABILITIES			<u>(772,061)</u>		<u>(680,183)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,943,564		11,256,591
CREDITORS					
Amounts falling due after more than one year	16		(5,538,465)		(5,873,485)
PROVISIONS FOR LIABILITIES	20		<u>(832,788)</u>		<u>(849,439)</u>
NET ASSETS			<u>4,572,311</u>		<u>4,533,667</u>
CAPITAL AND RESERVES					
Called up share capital	21		1,000		1,000
Revaluation reserve	22		2,697,396		2,697,396
Retained earnings	22		<u>1,873,915</u>		<u>1,835,271</u>
SHAREHOLDERS' FUNDS			<u>4,572,311</u>		<u>4,533,667</u>

The financial statements were approved by the Board of Directors on 15 January 2020 and were signed on its behalf by:

Mr R J Webb - Director

Company Balance Sheet
30 September 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		8,471,140		8,605,156
Investments	12		<u>1,000</u>		<u>1,000</u>
			8,472,140		8,606,156
CURRENT ASSETS					
Stocks	13	40,254		39,163	
Debtors	14	1,953,916		1,960,750	
Cash at bank and in hand		<u>9,567</u>		<u>4,817</u>	
		2,003,737		2,004,730	
CREDITORS					
Amounts falling due within one year	15	<u>848,858</u>		<u>831,384</u>	
NET CURRENT ASSETS			<u>1,154,879</u>		<u>1,173,346</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,627,019		9,779,502
CREDITORS					
Amounts falling due after more than one year	16		(3,640,991)		(3,860,995)
PROVISIONS FOR LIABILITIES	20		<u>(711,544)</u>		<u>(722,531)</u>
NET ASSETS			<u>5,274,484</u>		<u>5,195,976</u>
CAPITAL AND RESERVES					
Called up share capital	21		1,000		1,000
Revaluation reserve	22		2,526,222		2,526,222
Retained earnings	22		<u>2,747,262</u>		<u>2,668,754</u>
SHAREHOLDERS' FUNDS			<u>5,274,484</u>		<u>5,195,976</u>
Company's profit for the financial year			<u>380,508</u>		<u>443,474</u>

The financial statements were approved by the Board of Directors on 15 January 2020 and were signed on its behalf by:

Mr R J Webb - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2019**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 October 2017	1,000	1,731,304	2,697,396	4,429,700
Changes in equity				
Dividends	-	(248,000)	-	(248,000)
Total comprehensive income	-	351,967	-	351,967
Balance at 30 September 2018	<u>1,000</u>	<u>1,835,271</u>	<u>2,697,396</u>	<u>4,533,667</u>
Changes in equity				
Dividends	-	(302,000)	-	(302,000)
Total comprehensive income	-	340,644	-	340,644
Balance at 30 September 2019	<u>1,000</u>	<u>1,873,915</u>	<u>2,697,396</u>	<u>4,572,311</u>

**Company Statement of Changes in Equity
for the Year Ended 30 September 2019**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 October 2017	1,000	2,473,280	2,526,222	5,000,502
Changes in equity				
Dividends	-	(248,000)	-	(248,000)
Total comprehensive income	-	443,474	-	443,474
Balance at 30 September 2018	1,000	2,668,754	2,526,222	5,195,976
Changes in equity				
Dividends	-	(302,000)	-	(302,000)
Total comprehensive income	-	380,508	-	380,508
Balance at 30 September 2019	1,000	2,747,262	2,526,222	5,274,484

**Consolidated Cash Flow Statement
for the Year Ended 30 September 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	953,804	976,963
Interest paid		(171,744)	(159,513)
Tax paid		(82,609)	(49,036)
Net cash from operating activities		<u>699,451</u>	<u>768,414</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(156,519)	(258,823)
Interest received		7,270	7,322
Net cash from investing activities		<u>(149,249)</u>	<u>(251,501)</u>
Cash flows from financing activities			
New loans in year		-	220,000
Loan repayments in year		(335,012)	(329,513)
Amount introduced by directors		327,312	248,656
Amount withdrawn by directors		(246,831)	(342,227)
Equity dividends paid		(302,000)	(248,000)
Net cash from financing activities		<u>(556,531)</u>	<u>(451,084)</u>
(Decrease)/increase in cash and cash equivalents		<u>(6,329)</u>	<u>65,829</u>
Cash and cash equivalents at beginning of year	2	37,181	(28,648)
Cash and cash equivalents at end of year	2	<u>30,852</u>	<u>37,181</u>

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 September 2019**

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

	2019	2018
	£	£
Profit before taxation	420,632	434,729
Depreciation charges	377,668	437,416
Loss on disposal of fixed assets	-	30,731
Finance costs	171,744	159,513
Finance income	(7,270)	(7,322)
	<u>962,774</u>	<u>1,055,067</u>
Decrease/(increase) in stocks	1,190	(789)
Increase in trade and other debtors	(1,553)	(5,330)
Decrease in trade and other creditors	(8,607)	(71,985)
Cash generated from operations	<u>953,804</u>	<u>976,963</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2019

	30.9.19	1.10.18
	£	£
Cash and cash equivalents	30,852	40,955
Bank overdrafts	-	(3,774)
	<u>30,852</u>	<u>37,181</u>

Year ended 30 September 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	40,955	26,036
Bank overdrafts	(3,774)	(54,684)
	<u>37,181</u>	<u>(28,648)</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2019**

1. STATUTORY INFORMATION

Grand Hotel (St. Annes) 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 General 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 as modified by the revaluation of certain assets.

Basis of consolidation

The group accounts consolidate the accounts of Grand Hotel (St. Annes) Limited and its subsidiary undertaking The Grand @ Grasmere Limited.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date on which control passed.

Significant judgements and estimates

In the application of the group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Estimated useful lives and residual values of fixed assets

Depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during current and prior accounting periods.

Impairment of non-financial assets

Non-financial assets include goodwill, investments and tangible fixed assets. The group assesses at each reporting date whether there is an indication that the carrying amount of an asset may not be recoverable. If there is such an indication then the group estimates the recoverable amount of the asset using the information available at that date. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than the carrying amount, the carrying amount of an asset is impaired and it is reduced to its recoverable amount through an impairment in the statement of comprehensive income.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2015, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings - 20% on reducing balance and 20% on reducing balance and 10% on cost

Freehold land and buildings in the parent company are initially stated at cost and subsequently at valuation. Fixtures and fittings are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Assets that have been revalued are subject to subsequent revaluations performed with sufficient regularity such that the carrying amount does not differ materially from the fair value at the balance sheet date. The valuations are performed by a qualified external valuer.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The following assets and liabilities are classified as financial instruments - investments in subsidiaries, trade debtors, trade creditors, bank loans, other loans and inter-group balances.

Investments in subsidiary undertakings are measured at cost less impairment.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Inter-group balances (being repayable on demand), trade debtors, trade creditors and other loans are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment and if applicable recognised as appropriate.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 year 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.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	1,339,966	1,290,463
Social security costs	91,167	88,047
Other pension costs	28,196	23,727
	<u>1,459,329</u>	<u>1,402,237</u>

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

	2019	2018
Management	7	7
Departmental staff	<u>72</u>	<u>80</u>
	<u>79</u>	<u>87</u>

	2019	2018
	£	£
Directors' remuneration	<u>85,200</u>	<u>83,440</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	337,672	397,420
Loss on disposal of fixed assets	-	30,731
Goodwill amortisation	39,996	39,996
Auditors' remuneration	9,000	9,000
Auditors' remuneration for non audit work	<u>1,800</u>	<u>1,800</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	1,604	4,208
Bank loan interest	<u>170,140</u>	<u>155,305</u>
	<u>171,744</u>	<u>159,513</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	96,639	82,608
Deferred tax	(16,651)	154
Tax on profit	<u>79,988</u>	<u>82,762</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2019 £	2018 £
Profit before tax	<u>420,632</u>	<u>434,729</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	79,920	82,599
Effects of:		
Expenses not deductible for tax purposes	46	163
Adjustments to tax charge in respect of previous periods	<u>22</u>	<u>-</u>
Total tax charge	<u>79,988</u>	<u>82,762</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2019 £	2018 £
Ordinary 'A' shares of £1 each Interim	295,000	234,000
Ordinary 'B' shares of £1 each Interim	3,500	7,000
Ordinary 'C' shares of £1 each Interim	<u>3,500</u>	<u>7,000</u>
	<u>302,000</u>	<u>248,000</u>

10. INTANGIBLE FIXED ASSETS

Group

COST

At 1 October 2018
and 30 September 2019

Goodwill
£

200,000

AMORTISATION

At 1 October 2018
Amortisation for year
At 30 September 2019

146,655

39,996

186,651

NET BOOK VALUE

At 30 September 2019
At 30 September 2018

13,349

53,345

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 October 2018	9,967,740	4,178,895	14,146,635
Additions	45,996	110,523	156,519
At 30 September 2019	10,013,736	4,289,418	14,303,154
DEPRECIATION			
At 1 October 2018	-	2,263,206	2,263,206
Charge for year	-	337,672	337,672
At 30 September 2019	-	2,600,878	2,600,878
NET BOOK VALUE			
At 30 September 2019	10,013,736	1,688,540	11,702,276
At 30 September 2018	9,967,740	1,915,689	11,883,429

Company

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 October 2018	7,497,880	2,835,368	10,333,248
Additions	-	47,588	47,588
At 30 September 2019	7,497,880	2,882,956	10,380,836
DEPRECIATION			
At 1 October 2018	-	1,728,092	1,728,092
Charge for year	-	181,604	181,604
At 30 September 2019	-	1,909,696	1,909,696
NET BOOK VALUE			
At 30 September 2019	7,497,880	973,260	8,471,140
At 30 September 2018	7,497,880	1,107,276	8,605,156

Cost or valuation at 30 September 2019 is represented by:

	Freehold property £	Fixtures and fittings £	Totals £
Valuation in 2006	2,609,042	-	2,609,042
Valuation in 2013	49,006	-	49,006
Valuation in 2017	460,744	-	460,744
Cost	4,379,088	2,882,956	7,262,044
	7,497,880	2,882,956	10,380,836

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019

11. **TANGIBLE FIXED ASSETS - continued**

Company

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2019 £	2018 £
Cost	<u>4,379,088</u>	<u>4,379,088</u>

Freehold land and buildings were valued on an open market basis on 6 February 2017 by Colliers International .

12. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 October 2018	
and 30 September 2019	<u>1,000</u>
NET BOOK VALUE	
At 30 September 2019	<u>1,000</u>
At 30 September 2018	<u>1,000</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

The Grand @ Grasmere Limited

Registered office: South Promenade, Lytham St. Annes, Lancashire, FY8 1NB

Nature of business: Hotelier

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(701,173)	(661,310)
Loss for the year		<u>(39,863)</u>	<u>(91,508)</u>

13. **STOCKS**

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Stocks	<u>59,501</u>	<u>60,691</u>	<u>40,254</u>	<u>39,163</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts owed by group undertakings	-	-	1,623,200	1,552,086
Other debtors	127,952	126,399	83,226	82,539
Directors' loan accounts	247,490	326,125	247,490	326,125
	<u>375,442</u>	<u>452,524</u>	<u>1,953,916</u>	<u>1,960,750</u>

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 17)	335,008	338,774	220,000	223,774
Trade creditors	482,301	480,411	290,944	263,599
Tax	96,617	82,587	96,617	82,587
Social security and other taxes	231,075	231,812	159,086	170,516
Other creditors	89,535	99,295	78,891	89,434
Directors' loan accounts	3,320	1,474	3,320	1,474
	<u>1,237,856</u>	<u>1,234,353</u>	<u>848,858</u>	<u>831,384</u>

16. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans (see note 17)	<u>5,538,465</u>	<u>5,873,485</u>	<u>3,640,991</u>	<u>3,860,995</u>

17. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	3,774	-	3,774
Bank loans	<u>335,008</u>	<u>335,000</u>	<u>220,000</u>	<u>220,000</u>
	<u>335,008</u>	<u>338,774</u>	<u>220,000</u>	<u>223,774</u>
Amounts falling due between one and two years:				
Bank loans	<u>335,008</u>	<u>335,000</u>	<u>220,000</u>	<u>220,000</u>
Amounts falling due between two and five years:				
Bank loans	<u>1,005,024</u>	<u>1,005,000</u>	<u>660,000</u>	<u>660,000</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>4,198,433</u>	<u>4,533,485</u>	<u>2,760,991</u>	<u>2,980,995</u>

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	25,552	25,932
Between one and five years	85,500	89,677
In more than five years	7,125	28,500
	<u>118,177</u>	<u>144,109</u>

Company

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	4,177	4,557
Between one and five years	-	4,177
	<u>4,177</u>	<u>8,734</u>

19. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	<u>5,873,473</u>	<u>6,208,485</u>	<u>3,860,991</u>	<u>4,080,995</u>

The bank loans and overdraft are secured by a legal charge over land and buildings, together with a debenture and cross guarantee between the parent company and its' subsidiary.

20. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>832,788</u>	<u>849,439</u>	<u>711,544</u>	<u>722,531</u>

Group

	Deferred tax
	£
Balance at 1 October 2018	849,439
Accelerated capital allowances	(16,651)
Balance at 30 September 2019	<u>832,788</u>

Company

	Deferred tax
	£
Balance at 1 October 2018	722,531
Accelerated allowances	(10,987)
Balance at 30 September 2019	<u>711,544</u>

The deferred tax balance originates from capital allowances in excess of depreciation.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2019 £	2018 £
900	Ordinary 'A'	£1	900	900
50	Ordinary 'B'	£1	50	50
50	Ordinary 'C'	£1	50	50
			<u>1,000</u>	<u>1,000</u>

22. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 October 2018	1,835,271	2,697,396	4,532,667
Profit for the year	340,644		340,644
Dividends	(302,000)		(302,000)
At 30 September 2019	<u>1,873,915</u>	<u>2,697,396</u>	<u>4,571,311</u>

Company

	Retained earnings £	Revaluation reserve £	Totals £
At 1 October 2018	2,668,754	2,526,222	5,194,976
Profit for the year	380,508		380,508
Dividends	(302,000)		(302,000)
At 30 September 2019	<u>2,747,262</u>	<u>2,526,222</u>	<u>5,273,484</u>

23. CONTINGENT LIABILITIES

Both the parent and subsidiary company has a composite guarantee structure with its bankers. The amount of indebtedness of the group at 30 September 2019 was £5,873,473 (2018: £6,212,259).

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 September 2019 and 30 September 2018:

	2019 £	2018 £
Mr R J Webb and Mrs A J Webb		
Balance outstanding at start of year	322,999	231,080
Amounts advanced	247,792	325,919
Amounts repaid	(325,112)	(234,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>245,679</u>	<u>322,999</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019

24. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

Mr S Webb

Balance outstanding at start of year	3,126	-
Amounts advanced	2,186	10,126
Amounts repaid	(3,500)	(7,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>1,812</u>	<u>3,126</u>

Mr T Webb

Balance outstanding at start of year	(1,474)	-
Amounts advanced	1,654	5,526
Amounts repaid	(3,500)	(7,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(3,320)</u>	<u>(1,474)</u>

25. **RELATED PARTY DISCLOSURES**

During the year, The Grand @ Grasmere Limited paid £21,375 (2018: £21,400) in respect of rent to the trustees of the Grand Hotel (St. Annes) Limited pension scheme.

26. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party throughout the year was R J Webb.

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.