

REGISTERED NUMBER: 02942989 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016
FOR
UTOPIA LEISURE LIMITED

THURSDAY



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FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

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UTOPIA LEISURE LIMITED

COMPANY INFORMATION

FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

DIRECTORS:

P S Hinchcliffe
Mrs D Hinchcliffe

SECRETARY:

M Thomas

REGISTERED OFFICE:

1 St Pauls Square
Liverpool
Merseyside
L3 9SJ

REGISTERED NUMBER:

02942989 (England and Wales)

AUDITORS:

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

BANKERS:

Barclays Bank plc
Rhosddu Road
Wrexham
Clwyd
LL11 1EO

STRATEGIC REPORT
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

The directors present their strategic report for the period 28 September 2015 to 2 October 2016.

REVIEW OF BUSINESS

The main activity of the company continues to be the operation of four luxury hotels in the South East of England, with the purchase of Barnett Hill Hotel, Guildford, on 13th September 2016.

The Statement of Comprehensive Income is set out on page 7 and shows turnover for the year of £16,545,361, an increase of 9.9% on last year.

The directors are optimistic regarding the prospects for future growth for the forthcoming year.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the following to be the principal risks facing the company:

Economic recession

Natural disasters, acts of terrorism and impact upon international travel

Competition from new hotel properties

The company's strategy to combat these threats is to continue to develop the quality and range of the facilities and to cater for a wider range of different market sectors.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

The company continues to take independent assessments of service and quality and monitors these against industry standards and customer comments.

The company is committed to minimising its impact upon the environment by seeking energy saving initiatives and have installed solar panels on two hotels.

FINANCIAL KEY PERFORMANCE INDICATORS

The key financial performance indicators for the company are highlighted below:

	2016	2015
Gross profit margin %	48	45
Net profit margin %	22	20

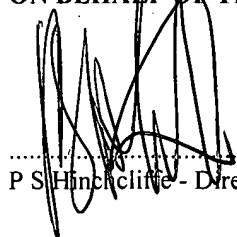
DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the company's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of the other employees.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees, and on the various factors affecting the performance of the company. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

ON BEHALF OF THE BOARD:



.....
P S Hinchcliffe - Director

Date: 20/11/16

REPORT OF THE DIRECTORS
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

The directors present their report with the financial statements of the company for the period 28 September 2015 to 2 October 2016.

DIVIDENDS

An interim dividend of 35.284p per share was paid on 29 December 2015. The directors recommend that no final dividend be paid.

The total distribution of dividends for the period ended 2 October 2016 will be £2,020,010.

DIRECTORS

The directors shown below have held office during the whole of the period from 28 September 2015 to the date of this report.

P S Hinchcliffe
Mrs D Hinchcliffe

FINANCIAL INSTRUMENTS

The company's financial instruments may be analysed as follows:

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by directors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors and other creditors.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales. It is company policy to assess the credit risk of new customers. Each new customer is analysed individually for creditworthiness before the company's standard payment terms and conditions are offered.

At a local level, a monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reassessed periodically. Existing customers that become "high risk" as a result of the periodic reassessment are placed on a restricted customer list and future credit sales are made only with approval of the Board otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions.

Liquidity risk

Liquidity risk arises from the company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due.

The Board receives rolling cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The directors have considered it appropriate to prepare the accounts on a going concern basis.

REPORT OF THE DIRECTORS

FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

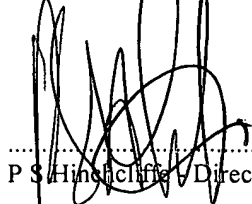
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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

ON BEHALF OF THE BOARD:



.....
P S Hindcliff / Director

Date: 20/1/17

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UTOPIA LEISURE LIMITED

We have audited the financial statements of Utopia Leisure Limited for the period ended 2 October 2016 on pages seven to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 October 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

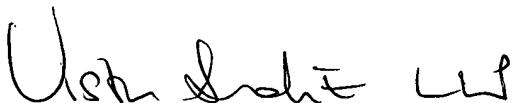
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UTOPIA LEISURE LIMITED**

Matters on which we are required to report by exception

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.



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

Date: 20/1/12

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

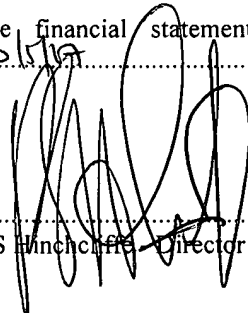
	Notes	Period 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
TURNOVER		16,545,361	15,052,372
Cost of sales		8,628,380	8,269,424
GROSS PROFIT		7,916,981	6,782,948
Administrative expenses		4,305,672	4,131,238
		3,611,309	2,651,710
Other operating income		(23,411)	413,837
OPERATING PROFIT	4	3,587,898	3,065,547
Interest receivable and similar income		11,621	6,026
		3,599,519	3,071,573
Interest payable and similar charges	5	7,086	8,587
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,592,433	3,062,986
Tax on profit on ordinary activities	6	825,055	654,122
PROFIT FOR THE FINANCIAL PERIOD		2,767,378	2,408,864
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,767,378	2,408,864

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
2 OCTOBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	8	297,500	-
Tangible assets	9	28,688,114	21,688,699
Investments	10	2	2
		<u>28,985,616</u>	<u>21,688,701</u>
CURRENT ASSETS			
Stocks	11	152,504	122,157
Debtors	12	2,008,137	1,279,346
Cash at bank and in hand		595,138	1,742,812
		<u>2,755,779</u>	<u>3,144,315</u>
CREDITORS			
Amounts falling due within one year	13	4,886,223	4,123,957
NET CURRENT LIABILITIES		<u>(2,130,444)</u>	<u>(979,642)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,855,172</u>	<u>20,709,059</u>
CREDITORS			
Amounts falling due after more than one year	14	(5,360,000)	-
PROVISIONS FOR LIABILITIES	18	(134,256)	(95,511)
NET ASSETS		<u>21,360,916</u>	<u>20,613,548</u>
CAPITAL AND RESERVES			
Called up share capital	19	5,725,002	5,725,002
Retained earnings	20	15,635,914	14,888,546
SHAREHOLDERS' FUNDS		<u>21,360,916</u>	<u>20,613,548</u>

The financial statements were approved and authorised for issue by the Board of Directors on 31/10/16 and were signed on its behalf by:


P S Hinchcliffe, Director

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 29 September 2014	5,725,002	13,479,553	19,204,555
Changes in equity			
Dividends	-	(999,871)	(999,871)
Total comprehensive income	-	2,408,864	2,408,864
Balance at 27 September 2015	<u>5,725,002</u>	<u>14,888,546</u>	<u>20,613,548</u>
Changes in equity			
Dividends	-	(2,020,010)	(2,020,010)
Total comprehensive income	-	2,767,378	2,767,378
Balance at 2 October 2016	<u><u>5,725,002</u></u>	<u><u>15,635,914</u></u>	<u><u>21,360,916</u></u>

**STATEMENT OF CASH FLOWS
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016**

		Period 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	4,663,572	4,302,635
Interest paid		(7,086)	(8,587)
Tax paid		(675,202)	(712,153)
Net cash from operating activities		<u>3,981,284</u>	<u>3,581,895</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(300,000)	-
Purchase of tangible fixed assets		(1,820,539)	(470,429)
Sale of tangible fixed assets		-	46,717
Interest received		11,621	6,026
Net cash from investing activities		<u>(2,108,918)</u>	<u>(417,686)</u>
Cash flows from financing activities			
Amount withdrawn by directors		(1,000,030)	(400,000)
Equity dividends paid		(2,020,010)	(999,871)
Net cash from financing activities		<u>(3,020,040)</u>	<u>(1,399,871)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,147,674)</u>	<u>1,764,338</u>
Cash and cash equivalents at beginning of period	2	1,742,812	(21,526)
Cash and cash equivalents at end of period	2	<u>595,138</u>	<u>1,742,812</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016**

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

	Period 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
Profit before taxation	3,592,433	3,062,986
Depreciation charges	853,624	841,742
Loss on disposal of fixed assets	-	3,794
Finance costs	7,086	8,587
Finance income	(11,621)	(6,026)
	<hr/> 4,441,522	<hr/> 3,911,083
(Increase)/decrease in stocks	(30,347)	7,618
Decrease/(increase) in trade and other debtors	271,239	(474,742)
(Decrease)/increase in trade and other creditors	(18,842)	858,676
	<hr/> 4,663,572	<hr/> 4,302,635
Cash generated from operations	<hr/> <hr/>	<hr/> <hr/>

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 2 October 2016

	2/10/16 £	28/9/15 £
Cash and cash equivalents	<hr/> 595,138	<hr/> 1,742,812

Period ended 27 September 2015

	27/9/15 £	29/9/14 £
Cash and cash equivalents	1,742,812	9,293
Bank overdrafts	-	(30,819)
	<hr/> 1,742,812	<hr/> (21,526)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

1. 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The date of transition to Financial Reporting Standard 102 is 29 September 2014, and the statement of financial position for the year ended 27 September 2015 has been restated in compliance with Financial Reporting Standard 102, information on the impact of first-time adoption of Financial Reporting Standard 102 is given in the note of reconciliation of equity.

The preparation of financial statements in compliance with Financial Reporting Standard 102 requires the use of certain accounting estimates. It also requires the directors to exercise judgement in applying the company's accounting policies.

The financial statements are presented in "sterling" which is the company's functional and presentation currency.

The directors have considered the company's operating financial requirements for the forthcoming year and expect that the company will have sufficient cash reserves to meet those requirements, and as a result they have prepared the accounts on the going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about Utopia Leisure Limited as an individual company and do not contain consolidated financial information as the parent of a group. Its subsidiary undertakings, Alexander House Hotel Limited and Alexander Hotels Limited, are dormant.

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 or 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 (see note 8)

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 represents revenue from hotel, spa and restaurant operations recognised in the accounts. Revenue is recognised when the company fulfils its contractual obligations by supplying services, and excludes value added tax. Turnover is derived solely from UK operations.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, is being amortised evenly over its estimated useful life of ten years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

2. 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.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is the purchase cost on a first-in, first-out basis. Net realisable value is selling price less any costs expected to be incurred to disposal.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met. Deferred tax balances are not discounted.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pension costs and other post-retirement benefits

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

Operating leases

Annual rentals for operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

3. STAFF COSTS

	Period 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
Wages and salaries	5,676,394	5,475,330
Social security costs	388,777	384,308
Other pension costs	96,133	73,677
	<u>6,161,304</u>	<u>5,933,315</u>

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

	Period 28/9/15 to 2/10/16	Period 29/9/14 to 27/9/15
Hotel and administration	<u>362</u>	<u>354</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

4. OPERATING PROFIT

The operating profit is stated after charging:

	Period 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
Depreciation - owned assets	851,124	841,742
Loss on disposal of fixed assets	-	3,794
Goodwill amortisation	2,500	-
Auditors' remuneration	13,495	13,100
Taxation compliance services	6,227	4,200
	<u>94,941</u>	<u>47,069</u>
Directors' remuneration	40,000	40,000
Directors' pension contributions to money purchase schemes	<u>40,000</u>	<u>40,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
Bank interest	52	889
Bank loan interest	7,034	-
Interest on director's loans	-	7,441
Interest on corporation tax	-	257
	<u>7,086</u>	<u>8,587</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
Current tax:		
UK corporation tax	786,311	652,305
Deferred tax	38,744	1,817
Tax on profit on ordinary activities	<u>825,055</u>	<u>654,122</u>

UK corporation tax has been charged at 20% (2015 - 20.49%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

6. TAXATION - continued

Reconciliation of total tax 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 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
Profit on ordinary activities before tax	<u>3,592,433</u>	<u>3,062,986</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.499%)	718,487	627,882
Effects of:		
Expenses not deductible for tax purposes	106,568	30,857
Differences due to change in tax rate	-	(4,617)
Total tax charge	<u>825,055</u>	<u>654,122</u>

7. DIVIDENDS

	Period 28/9/15 to 2/10/16 £	Period 29/9/14 to 27/9/15 £
Interim	<u>2,020,010</u>	<u>999,871</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	<u>300,000</u>
At 2 October 2016	<u>300,000</u>
AMORTISATION	
Amortisation for period	<u>2,500</u>
At 2 October 2016	<u>2,500</u>
NET BOOK VALUE	
At 2 October 2016	<u>297,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 28 September 2015	25,163,193	1,333,197	934,395
Additions	7,102,331	439,440	113,008
Disposals	-	(82,490)	(9,769)
At 2 October 2016	32,265,524	1,690,147	1,037,634
DEPRECIATION			
At 28 September 2015	5,010,707	534,862	258,135
Charge for period	490,145	188,238	144,540
Eliminated on disposal	-	(82,490)	(9,769)
At 2 October 2016	5,500,852	640,610	392,906
NET BOOK VALUE			
At 2 October 2016	26,764,672	1,049,537	644,728
At 27 September 2015	20,152,486	798,335	676,260
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 28 September 2015	22,079	110,683	27,563,547
Additions	11,124	184,636	7,850,539
Disposals	(3,645)	(22,748)	(118,652)
At 2 October 2016	29,558	272,571	35,295,434
DEPRECIATION			
At 28 September 2015	12,840	58,304	5,874,848
Charge for period	3,591	24,610	851,124
Eliminated on disposal	(3,645)	(22,748)	(118,652)
At 2 October 2016	12,786	60,166	6,607,320
NET BOOK VALUE			
At 2 October 2016	16,772	212,405	28,688,114
At 27 September 2015	9,239	52,379	21,688,699

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 28 September 2015	
and 2 October 2016	2
NET BOOK VALUE	
At 2 October 2016	2
At 27 September 2015	2

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Alexander House Hotel Limited

Nature of business: Dormant

	% holding	2016 £	2015 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1	1

Alexander Hotels Limited

Nature of business: Dormant

	% holding	2016 £	2015 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1	1

11. STOCKS

	2016 £	2015 £
Raw materials and consumables	152,504	122,157

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	267,313	210,213
Other debtors	309,701	719,175
Directors' current accounts	1,000,030	-
Prepayments	431,093	349,958
	2,008,137	1,279,346

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 15)	670,000	-
Payments on account	1,343,228	1,123,546
Trade creditors	1,141,803	1,056,326
Tax	388,414	277,305
Social security and other taxes	127,704	87,759
VAT	649,275	486,590
Other creditors	27,081	377,946
Accrued expenses	538,718	714,485
	<u>4,886,223</u>	<u>4,123,957</u>

Included within other creditors are unpaid pension contributions of £6,589 (2015: £4,025).

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

	2016	2015
	£	£
Bank loans (see note 15)	<u>5,360,000</u>	<u>-</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>670,000</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>1,340,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>4,020,000</u>	<u>-</u>

During the year, the company borrowed funds from its bankers under a term loan of £6,030,000. The loan is repayable by instalments by 2021. The loan accrues interest at a variable rate equivalent to LIBOR plus 1.75%. Issue costs of £30,000 were incurred, which have been deducted from the initial carrying value and will be charged to profit or loss as part of the interest charge calculated using the effective interest rate method.

16. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank loans	<u>6,030,000</u>	<u>-</u>

The bank loan is secured by a debenture and charge over the Alexander House Hotel.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

17. FINANCIAL INSTRUMENTS

The company's financial instruments may be analysed as follows:

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by directors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors and other creditors.

18. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	<u>134,256</u>	<u>95,511</u>
		Deferred tax £
Balance at 28 September 2015		95,511
Accelerated capital allowances		<u>38,745</u>
Balance at 2 October 2016		<u>134,256</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
5,725,002	Ordinary	£1	<u>5,725,002</u>	<u>5,725,002</u>

20. RESERVES

	Retained earnings £
At 28 September 2015	14,888,546
Profit for the period	2,767,378
Dividends	<u>(2,020,010)</u>
At 2 October 2016	<u>15,635,914</u>

21. CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted but not provided for in the financial statements	<u>1,121</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 28 SEPTEMBER 2015 TO 2 OCTOBER 2016

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the periods ended 2 October 2016 and 27 September 2015:

	2016 £	2015 £
P S Hinchcliffe		
Balance outstanding at start of period	-	-
Amounts advanced	1,125,060	-
Amounts repaid	(125,030)	-
Balance outstanding at end of period	<u>1,000,030</u>	<u>-</u>

The interest free loan is repayable on demand and within 9 months of the financial year end.

23. RELATED PARTY DISCLOSURES

During the period, total dividends of £2,020,010 (2015 - £999,871) were paid to the directors.

24. ULTIMATE CONTROLLING PARTY

The controlling party is P S Hinchcliffe, a director of the company and majority shareholder.

RECONCILIATION OF EQUITY

29 SEPTEMBER 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		22,110,523	-	22,110,523
Investments		2	-	2
		<u>22,110,525</u>	<u>-</u>	<u>22,110,525</u>
CURRENT ASSETS				
Stocks		129,775	-	129,775
Debtors		804,604	-	804,604
Cash at bank and in hand		9,293	-	9,293
		<u>943,672</u>	<u>-</u>	<u>943,672</u>
CREDITORS				
Amounts falling due within one year		(3,755,947)	-	(3,755,947)
NET CURRENT LIABILITIES		<u>(2,812,275)</u>	<u>-</u>	<u>(2,812,275)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,298,250	-	19,298,250
PROVISIONS FOR LIABILITIES		<u>(93,695)</u>	<u>-</u>	<u>(93,695)</u>
NET ASSETS		<u>19,204,555</u>	<u>-</u>	<u>19,204,555</u>
CAPITAL AND RESERVES				
Called up share capital		5,725,002	-	5,725,002
Retained earnings		13,479,553	-	13,479,553
SHAREHOLDERS' FUNDS		<u>19,204,555</u>	<u>-</u>	<u>19,204,555</u>

RECONCILIATION OF EQUITY - continued
27 SEPTEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		21,688,699	-	21,688,699
Investments		2	-	2
		<u>21,688,701</u>	<u>-</u>	<u>21,688,701</u>
CURRENT ASSETS				
Stocks		122,157	-	122,157
Debtors		1,279,346	-	1,279,346
Cash at bank and in hand		1,742,812	-	1,742,812
		<u>3,144,315</u>	<u>-</u>	<u>3,144,315</u>
CREDITORS				
Amounts falling due within one year		(4,123,957)	-	(4,123,957)
NET CURRENT LIABILITIES		<u>(979,642)</u>	<u>-</u>	<u>(979,642)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,709,059	-	20,709,059
PROVISIONS FOR LIABILITIES		<u>(95,511)</u>	<u>-</u>	<u>(95,511)</u>
NET ASSETS		<u>20,613,548</u>	<u>-</u>	<u>20,613,548</u>
CAPITAL AND RESERVES				
Called up share capital		5,725,002	-	5,725,002
Retained earnings		14,888,546	-	14,888,546
SHAREHOLDERS' FUNDS		<u>20,613,548</u>	<u>-</u>	<u>20,613,548</u>

RECONCILIATION OF PROFIT

FOR THE PERIOD 29 SEPTEMBER 2014 TO 27 SEPTEMBER 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	15,052,372	-	15,052,372
Cost of sales	(8,269,424)	-	(8,269,424)
GROSS PROFIT	6,782,948	-	6,782,948
Administrative expenses	(4,131,238)	-	(4,131,238)
Other operating income	413,837	-	413,837
OPERATING PROFIT	3,065,547	-	3,065,547
Interest receivable and similar income	6,026	-	6,026
Interest payable and similar charges	(8,587)	-	(8,587)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,062,986	-	3,062,986
Tax on profit on ordinary activities	(654,122)	-	(654,122)
PROFIT FOR THE FINANCIAL PERIOD	2,408,864	-	2,408,864