

REGISTERED NUMBER: 05112997 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
HLW229 LIMITED**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Statement of Comprehensive Income	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Cash Flow Statement	12
Notes to the Consolidated Cash Flow Statement	13
Notes to the Consolidated Financial Statements	14

HLW229 LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS: R D V Broadbent
Mrs A Stanley
HLW 386 Limited

SECRETARY: R D V Broadbent

REGISTERED OFFICE: Whitley Hall Hotel
Elliott Lane
Grenoside
Sheffield

REGISTERED NUMBER: 05112997 (England and Wales)

AUDITORS: Hollis and Co Limited
Chartered Accountants
Statutory Auditor
35 Wilkinson Street
Sheffield
South Yorkshire
S10 2GB

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

REVIEW OF BUSINESS

The group continues to be financed by long term loans from HSBC Bank plc and during the year, cash inflows from its subsidiary have been sufficient to enable the company to meet all administrative costs and scheduled loan repayments.

The group's trading subsidiary has had a challenging year not least due to the incessant increased pressure on wages costs which must be pushing many businesses to the edge of viability.

A downturn in weddings resulted in a concerted marketing push and the benefits of this will be seen in 2018. The company invested quite heavily in online advertising as opposed to in print and also spent much time and effort improving the online booking capabilities which are now showing results but impact on the profitability in 2017.

Overall we feel optimistic for future trade levels and expect to see stronger growth in the next year.

Considering the challenging market conditions that remain within the hotel sector, the directors are satisfied with the position of the group at 31 December 2017.

PRINCIPAL RISKS AND UNCERTAINTIES

Financing and interest rates

The group's primary cash inflows are generated from the subsidiary trading company, Whitley Hall Hotel Limited. That company has a small overdraft facility, but there is rarely a need to use this. There is an interest rate risk attaching to the bank overdraft, but this is minimal.

The group continues to be financed by a long term bank loan, which has a further 11 years to run.

The group does not trade in financial instruments and has no other form of derivatives.

Cashflows

The primary cash inflows are derived from the groups trading company, Whitley Hall Hotel Limited. Under the current economic climate, maintaining cashflow is paramount and this will be monitored closely to ensure cashflows are sufficient to enable the group to meet its obligations.

Competition

Competitive risk exists in all business and customers in the hotel sector are very price sensitive and the sector is exceptionally competitive. The group's objective is to be able to identify such risks at an early stage so that an appropriate strategy can be implemented to reduce that risk sufficient to enable the group to meet its obligations.

ON BEHALF OF THE BOARD:

R D V Broadbent - Director

26 June 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2017 amounts to £57,143.

FUTURE DEVELOPMENTS

The intention is to promote our leisure breaks more widely as they offer very good value, continue to monitor costs, focus on core business and expand the social media profile.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

R D V Broadbent
Mrs A Stanley
HLW 386 Limited

DISCLOSURE IN THE STRATEGIC REPORT

Certain items required under Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports Regulations) 2008 to be disclosed in the directors' report are set out in the Strategic Report in accordance with S414C(11) Companies Act 2006.

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

ON BEHALF OF THE BOARD:

R D V Broadbent - Director

26 June 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HLW229 LIMITED

Opinion

We have audited the financial statements of HLW229 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of 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 31 December 2017 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 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, 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.

Opinion 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HLW229 LIMITED

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.

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.

Peter Hollis (Senior Statutory Auditor)
for and on behalf of Hollis and Co Limited
Chartered Accountants
Statutory Auditor
35 Wilkinson Street
Sheffield
South Yorkshire
S10 2GB

10 July 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
TURNOVER	3	2,277,208	2,284,539
Cost of sales		<u>1,330,206</u>	<u>1,281,135</u>
GROSS PROFIT		947,002	1,003,404
Administrative expenses		<u>659,995</u>	<u>618,197</u>
		287,007	385,207
Other operating income	4	<u>65,900</u>	<u>295,699</u>
OPERATING PROFIT	6	352,907	680,906
Interest receivable and similar income		<u>2,868</u>	<u>2,331</u>
		355,775	683,237
Interest payable and similar expenses	8	<u>20,592</u>	<u>25,075</u>
PROFIT BEFORE TAXATION		335,183	658,162
Tax on profit	9	<u>70,550</u>	<u>76,914</u>
PROFIT FOR THE FINANCIAL YEAR		264,633	581,248
OTHER COMPREHENSIVE INCOME			
Deferred tax release		11,879	27,385
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		11,879	27,385
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>276,512</u>	<u>608,633</u>
Profit attributable to: Owners of the parent		<u>264,633</u>	<u>581,248</u>
Total comprehensive income attributable to: Owners of the parent		<u>276,512</u>	<u>608,633</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	12		5,198,322		5,199,158
Investments	13		<u>-</u>		<u>-</u>
			5,198,322		5,199,158
CURRENT ASSETS					
Stocks	14	23,367		15,763	
Debtors	15	105,956		68,953	
Cash at bank and in hand		<u>1,107,943</u>		<u>960,913</u>	
		1,237,266		1,045,629	
CREDITORS					
Amounts falling due within one year	16	<u>972,060</u>		<u>838,567</u>	
NET CURRENT ASSETS			<u>265,206</u>		<u>207,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,463,528		5,406,220
CREDITORS					
Amounts falling due after more than one year	17		(1,527,474)		(1,677,656)
PROVISIONS FOR LIABILITIES	20		<u>(165,090)</u>		<u>(176,969)</u>
NET ASSETS			<u>3,770,964</u>		<u>3,551,595</u>
CAPITAL AND RESERVES					
Called up share capital	21		800		800
Share premium	22		249,000		249,000
Revaluation reserve	22		1,703,423		1,691,544
Capital redemption reserve	22		200		200
Retained earnings	22		<u>1,817,541</u>		<u>1,610,051</u>
SHAREHOLDERS' FUNDS			<u>3,770,964</u>		<u>3,551,595</u>

The financial statements were approved by the Board of Directors on 26 June 2018 and were signed on its behalf by:

R D V Broadbent - Director

COMPANY BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	12		-		-
Investments	13		<u>2,337,447</u>		<u>2,337,447</u>
			2,337,447		2,337,447
CURRENT ASSETS					
Debtors	15	38,668		9,076	
Cash at bank		<u>568,631</u>		<u>597,777</u>	
		607,299		606,853	
CREDITORS					
Amounts falling due within one year	16	<u>172,001</u>		<u>149,421</u>	
NET CURRENT ASSETS			<u>435,298</u>		<u>457,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,772,745		2,794,879
CREDITORS					
Amounts falling due after more than one year	17		<u>1,527,474</u>		<u>1,677,656</u>
NET ASSETS			<u>1,245,271</u>		<u>1,117,223</u>
CAPITAL AND RESERVES					
Called up share capital	21		800		800
Share premium	22		249,000		249,000
Capital redemption reserve	22		200		200
Retained earnings	22		<u>995,271</u>		<u>867,223</u>
SHAREHOLDERS' FUNDS			<u>1,245,271</u>		<u>1,117,223</u>
Company's profit for the financial year			<u>185,191</u>		<u>105,984</u>

The financial statements were approved by the Board of Directors on 26 June 2018 and were signed on its behalf by:

R D V Broadbent - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2016	800	1,183,089	249,000
Changes in equity			
Dividends	-	(154,286)	-
Total comprehensive income	-	581,248	-
Balance at 31 December 2016	<u>800</u>	<u>1,610,051</u>	<u>249,000</u>
Changes in equity			
Dividends	-	(57,143)	-
Total comprehensive income	-	264,633	-
Balance at 31 December 2017	<u>800</u>	<u>1,817,541</u>	<u>249,000</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	1,664,159	200	3,097,248
Changes in equity			
Dividends	-	-	(154,286)
Total comprehensive income	27,385	-	608,633
Balance at 31 December 2016	<u>1,691,544</u>	<u>200</u>	<u>3,551,595</u>
Changes in equity			
Dividends	-	-	(57,143)
Total comprehensive income	11,879	-	276,512
Balance at 31 December 2017	<u>1,703,423</u>	<u>200</u>	<u>3,770,964</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	800	915,525	249,000	200	1,165,525
Changes in equity					
Dividends	-	(154,286)	-	-	(154,286)
Total comprehensive income	-	105,984	-	-	105,984
Balance at 31 December 2016	800	867,223	249,000	200	1,117,223
Changes in equity					
Dividends	-	(57,143)	-	-	(57,143)
Total comprehensive income	-	185,191	-	-	185,191
Balance at 31 December 2017	800	995,271	249,000	200	1,245,271

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	506,249	771,576
Interest paid		(20,592)	(25,276)
Interest element of hire purchase or finance lease rental payments paid		-	(893)
Tax paid		(76,944)	(79,037)
Net cash from operating activities		<u>408,713</u>	<u>666,370</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(30,161)	(19,553)
Interest received		2,868	2,331
Net cash from investing activities		<u>(27,293)</u>	<u>(17,222)</u>
Cash flows from financing activities			
Loan repayments in year		(143,199)	(139,733)
Capital repayments in year		-	(2,889)
Amount withdrawn by directors		(34,048)	-
Grants released		-	(248,632)
Equity dividends paid		(57,143)	(154,286)
Net cash from financing activities		<u>(234,390)</u>	<u>(545,540)</u>
Increase in cash and cash equivalents		<u>147,030</u>	<u>103,608</u>
Cash and cash equivalents at beginning of year	2	960,913	857,305
Cash and cash equivalents at end of year	2	<u>1,107,943</u>	<u>960,913</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	2017	2016
	£	£
Profit before taxation	335,183	658,162
Depreciation charges	30,996	27,458
Finance costs	20,592	25,075
Finance income	(2,868)	(2,331)
	<u>383,903</u>	<u>708,364</u>
(Increase)/decrease in stocks	(7,604)	5,607
(Increase)/decrease in trade and other debtors	(2,955)	40,314
Increase in trade and other creditors	<u>132,905</u>	<u>17,291</u>
Cash generated from operations	<u><u>506,249</u></u>	<u><u>771,576</u></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 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>1,107,943</u>	<u>960,913</u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>960,913</u>	<u>857,305</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. STATUTORY INFORMATION

HLW229 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 (£).

The figures in the financial statements are rounded to the nearest £.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of services provided, excluding value added tax.

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.

Freehold property	- Straight line over 99 years
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

As stated above, the depreciation policy for land and buildings is straight line over 99 years. As the estimated residual value of the land and buildings is considered to be not materially different from its current carrying value, the calculated depreciation charge is not material.

Depreciation of assets only commences when the asset is brought into use.

Stocks

Stocks are stated at the lower of cost, using the first in first out method, and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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.

Investments

Investments are included at the lower of cost or net recoverable amount.

Government grants

Government grants received which are of a capital nature, are recognised as deferred income in the balance sheet and then credited to the profit and loss account at the same rate as the depreciation charge of the relevant asset.

Government grants received which are of a revenue nature are credited directly to the profit and loss account.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

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

	2017	2016
	£	£
Operation of a hotel	2,277,208	2,284,539
	<u>2,277,208</u>	<u>2,284,539</u>

All turnover arose in the United Kingdom.

4. OTHER OPERATING INCOME

	2017	2016
	£	£
Sundry receipts	65,900	47,067
Exceptional item - government grants	-	248,632
	<u>65,900</u>	<u>295,699</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

5. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	883,555	842,212
Social security costs	57,595	55,672
Other pension costs	4,167	5,068
	<u>945,317</u>	<u>902,952</u>

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

	2017	2016
Staff in hotel operations	64	64
Directors and administration	<u>2</u>	<u>2</u>
	<u>66</u>	<u>66</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 66 (2016 - 66) .

	2017	2016
	£	£
Directors' remuneration	<u>25,802</u>	<u>28,161</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	30,997	27,458
Auditors' remuneration	<u>6,500</u>	<u>6,500</u>

7. EXCEPTIONAL ITEMS

	2017	2016
	£	£
Exceptional item - government grants	<u>-</u>	<u>248,632</u>

Deferred government grants have been released during the year as the company has complied with the conditions attaching to them and there is no longer a liability to recognise.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	118	-
Loan	20,474	24,182
Hire purchase	-	893
	<u>20,592</u>	<u>25,075</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

9. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	<u>70,550</u>	<u>76,914</u>
Tax on profit	<u>70,550</u>	<u>76,914</u>

UK corporation tax has been charged at 19.25% (2016 - 20%).

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:

	2017 £	2016 £
Profit before tax	<u>335,183</u>	<u>658,162</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	63,685	131,632
Effects of:		
Income not subject to tax	-	(49,726)
Depreciation in excess of capital allowances	(4,962)	(4,992)
Profits taxed at 20%	762	-
Tax payable S455 CTA 2010	<u>11,065</u>	<u>-</u>
Total tax charge	<u>70,550</u>	<u>76,914</u>

Tax effects relating to effects of other comprehensive income

	2017 Gross £	Tax £	Net £
Deferred tax release	<u>11,879</u>	<u>-</u>	<u>11,879</u>
	2016 Gross £	Tax £	Net £
Deferred tax release	<u>27,385</u>	<u>-</u>	<u>27,385</u>

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

11. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>57,143</u>	<u>154,286</u>

12. TANGIBLE FIXED ASSETS**Group**

	Freehold property £	Improvements to property £	Fixtures and fittings £
COST OR VALUATION			
At 1 January 2017	5,125,661	57,033	61,152
Additions	-	9,055	21,106
At 31 December 2017	<u>5,125,661</u>	<u>66,088</u>	<u>82,258</u>
DEPRECIATION			
At 1 January 2017	-	30,199	28,036
Charge for year	-	11,782	14,258
At 31 December 2017	<u>-</u>	<u>41,981</u>	<u>42,294</u>
NET BOOK VALUE			
At 31 December 2017	<u>5,125,661</u>	<u>24,107</u>	<u>39,964</u>
At 31 December 2016	<u>5,125,661</u>	<u>26,834</u>	<u>33,116</u>
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 January 2017	13,800	44,532	5,302,178
Additions	-	-	30,161
At 31 December 2017	<u>13,800</u>	<u>44,532</u>	<u>5,332,339</u>
DEPRECIATION			
At 1 January 2017	9,200	35,585	103,020
Charge for year	2,600	2,357	30,997
At 31 December 2017	<u>11,800</u>	<u>37,942</u>	<u>134,017</u>
NET BOOK VALUE			
At 31 December 2017	<u>2,000</u>	<u>6,590</u>	<u>5,198,322</u>
At 31 December 2016	<u>4,600</u>	<u>8,947</u>	<u>5,199,158</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

12. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 December 2017 is represented by:

	Freehold property £	Improvements to property £	Fixtures and fittings £
Valuation in 2013	5,112,086	39,850	48,064
Cost	13,575	26,238	34,194
	<u>5,125,661</u>	<u>66,088</u>	<u>82,258</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2013	-	-	5,200,000
Cost	13,800	44,532	132,339
	<u>13,800</u>	<u>44,532</u>	<u>5,332,339</u>

If property and fixtures had not been revalued they would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>3,709,662</u>	<u>3,679,500</u>
Aggregate depreciation	<u>1,366,041</u>	<u>1,324,130</u>

In accordance with the requirements of Financial Reporting Standard 15 a valuation of the group's freehold interest in Whitley Hall Hotel was undertaken in July 2013 Messrs Edward Symmons LLP valued the hotel on the basis of existing use value at £5.2m.

In future, the company intends to revalue freehold property with sufficient regularity to ensure the carrying value does not differ materially from the fair value, in accordance with the provisions of FRS 102.

In accordance with the requirements of FRS 102, provision for deferred taxation has been made in full on the revaluation of fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

13. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2017
and 31 December 20172,337,447

NET BOOK VALUE

At 31 December 2017
At 31 December 20162,337,4472,337,447

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

Subsidiary

Whitley Hall Hotel Limited

Registered office: Whitley Hall, Elliott Lane, Grenoside, Sheffield, S35 8NR
Nature of business: Hoteliers and restaurateurs

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		4,863,141	4,771,820
Profit for the year		<u>282,940</u>	<u>585,264</u>

14. STOCKS

Group

	2017 £	2016 £
Stocks	<u>23,367</u>	<u>15,763</u>

Stock recognised in cost of sales during the year as an expense was £413,208 (2016 £408,675),

The total carrying amount of stock is pledged as security for the group's bank borrowings.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	41,807	39,499	4,620	8,856
Other debtors	953	1,948	-	220
Directors' current accounts	34,048	-	34,048	-
Prepayments	<u>29,148</u>	<u>27,506</u>	<u>-</u>	<u>-</u>
	<u>105,956</u>	<u>68,953</u>	<u>38,668</u>	<u>9,076</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 18)	146,076	139,094	146,076	139,094
Trade creditors	111,747	106,231	1,498	1,402
Tax	70,550	76,944	11,065	-
Social security and other taxes	18,232	20,197	934	941
VAT	38,357	47,460	2,830	2,718
Other creditors	18,849	15,237	-	-
Net wages	3,529	-	3,529	-
Accruals and deferred income	558,650	428,140	-	-
Accrued expenses	6,070	5,264	6,069	5,266
	<u>972,060</u>	<u>838,567</u>	<u>172,001</u>	<u>149,421</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 18)	<u>1,527,474</u>	<u>1,677,656</u>	<u>1,527,474</u>	<u>1,677,656</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>146,076</u>	<u>139,094</u>	<u>146,076</u>	<u>139,094</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>147,702</u>	<u>141,074</u>	<u>147,702</u>	<u>141,074</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>453,062</u>	<u>435,386</u>	<u>453,062</u>	<u>435,386</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>926,710</u>	<u>1,101,196</u>	<u>926,710</u>	<u>1,101,196</u>

The bank loan has a maturity date of December 2028 with interest charged at 0.9% over the Bank's Sterling Base Rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	<u>1,673,550</u>	<u>1,816,750</u>	<u>1,673,550</u>	<u>1,816,750</u>

The group has given an Unlimited Multilateral Guarantee dated 3 September 2004 to HSBC Bank plc to secure all liabilities. There is a legal right of set off over all balances owed to or by the bank by the group.

In addition the bank has a debenture dated 3 September 2004 which includes a Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future.

The groups total indebtedness to HSBC Bank plc at 31 December 2017 amounted to £585,670.

20. PROVISIONS FOR LIABILITIES

	Group	
	2017	2016
	£	£
Deferred tax		
Revaluation of property	<u>165,090</u>	<u>176,969</u>
Group		
		Deferred tax
		£
Balance at 1 January 2017		176,969
Credit to Statement of Comprehensive Income during year		<u>(11,879)</u>
Balance at 31 December 2017		<u>165,090</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017	2016
			£	£
1,000	Ordinary	£1	<u>800</u>	<u>800</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

22. RESERVES**Group**

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2017	1,610,051	249,000	1,691,544	200	3,550,795
Profit for the year	264,633				264,633
Dividends	(57,143)				(57,143)
Deferred tax release	-	-	11,879	-	11,879
At 31 December 2017	<u>1,817,541</u>	<u>249,000</u>	<u>1,703,423</u>	<u>200</u>	<u>3,770,164</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2017	867,223	249,000	200	1,116,423
Profit for the year	185,191			185,191
Dividends	(57,143)			(57,143)
At 31 December 2017	<u>995,271</u>	<u>249,000</u>	<u>200</u>	<u>1,244,471</u>

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2017 and 31 December 2016:

	2017 £	2016 £
R D V Broadbent		
Balance outstanding at start of year	-	-
Amounts advanced	34,048	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>34,048</u>	<u>-</u>

The advance is interest free and there is no fixed repayment term. The amount is included within other debtors.

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr R D V Broadbent, a director and majority shareholder of HLW229 Limited

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