

The Crown Hotel Harrogate Limited

Registered number: 05568552

Directors' report and financial statements

For the year ended 31 March 2016

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THE CROWN HOTEL HARROGATE LIMITED

COMPANY INFORMATION

Directors	A Kariminik H J A Stanford J M Thornton
Company secretary	Ka Wai Yu
Registered number	05568552
Registered office	1 King's Arms Yard London EC2R 7AF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditors Mazars House Gelderd Road Gildersome Leeds LS27 7JN

THE CROWN HOTEL HARROGATE LIMITED

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THE CROWN HOTEL HARROGATE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2016

Introduction

The directors present their strategic report for the year ended 31 March 2016.

Business review

The Company's principal activity remained the ownership and operation of the Crown Hotel in Harrogate.

The Crown Hotel continued to maintain its position as one of the leading hotels in Harrogate. Turnover in the year to 31 March 2016 was 5% lower at £2.7m (2015: £2.8m). As a result, profit before depreciation, directors' remuneration, management fees and interest reduced to £0.5m (2015: £0.6m).

Principal risks and uncertainties

The principal risks and uncertainties are deemed to be strength of the recovery of the UK economy, impacting both on consumer and business optimism, and the competitive pressures of the local hospitality and conference and events markets.

Financial key performance indicators


Management use a range of performance measures to monitor and manage the business. The principal financial KPI's are

- Occupancy levels
- Average Room Rates
- Total revenue
- Food and Beverage cost of sale percentages
- EBITDA

Financial position at 31 March 2016

The balance sheet shows cash of approximately £0.09m at 31 March 2016. Net current liabilities were £0.21m. Total assets less current liabilities reduced from £5.0m to £4.7m, principally as a result of the £0.3m depreciation charge. The principal investors continue to support the business by deferring interest as the business requires.

This report was approved by the board on 10 August 2016 and signed on its behalf.


H J A Stanford
Director

THE CROWN HOTEL HARROGATE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 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'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Results and dividends

The loss for the year, after taxation, amounted to £922,961 (2015 - loss £797,922).

Directors

The directors who served during the year were:

A Kariminik
H J A Stanford
J M Thornton

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

THE CROWN HOTEL HARROGATE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Going concern

The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date at which the audit report and financial statements have been signed. The use of the going concern basis of accounting is therefore considered appropriate because there are no material uncertainties to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

Auditors

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10 August 2016 and signed on its behalf.



H J A Stanford
Director

THE CROWN HOTEL HARROGATE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CROWN HOTEL HARROGATE LIMITED

We have audited the financial statements of The Crown Hotel Harrogate Limited for the year ended 31st March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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. 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 an Auditor's Report 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 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 the other matter prescribed by the Companies Act 2006

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


THE CROWN HOTEL HARROGATE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CROWN HOTEL HARROGATE 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.



Craig Manson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditors

Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Date: 11 August 2016

THE CROWN HOTEL HARROGATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Turnover	3	2,691,480	2,833,576
Cost of sales		(1,312,269)	(1,320,596)
Gross profit		<u>1,379,211</u>	<u>1,512,980</u>
Administrative expenses		(1,371,004)	(1,378,786)
Operating profit	4	<u>8,207</u>	<u>134,194</u>
Interest payable and expenses	8	(931,168)	(932,116)
Loss before tax		<u>(922,961)</u>	<u>(797,922)</u>
Tax on loss	9	-	-
Loss for the year		<u>(922,961)</u>	<u>(797,922)</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

There was no other comprehensive income for 2016 or 2015.

The notes on pages 10 to 21 form part of these financial statements.

THE CROWN HOTEL HARROGATE LIMITED

Registered number: 05568552

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	4,937,507	5,200,211
Current assets			
Stocks	11	26,436	39,432
Debtors: amounts falling due within one year	12	56,518	80,252
Cash at bank and in hand	13	85,353	77,576
		<u>168,307</u>	<u>197,260</u>
Creditors: amounts falling due within one year	14	(377,971)	(386,942)
Net current liabilities		<u>(209,664)</u>	<u>(189,682)</u>
Total assets less current liabilities		<u>4,727,843</u>	<u>5,010,529</u>
Creditors: amounts falling due after more than one year	15	13,089,656	12,449,381
Capital and reserves			
Called up share capital	18	5,280	5,280
Share premium account	19	2,643,161	2,643,161
Profit and loss account	19	(11,010,254)	(10,087,293)
		<u>(8,361,813)</u>	<u>(7,438,852)</u>
		<u>4,727,843</u>	<u>5,010,529</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

10 August 2016.


H J A Stanford
Director

The notes on pages 10 to 21 form part of these financial statements.

THE CROWN HOTEL HARROGATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1st April 2015	5,280	2,643,161	(10,087,293)	(7,438,852)
Comprehensive income for the year				
Loss for the year	-	-	(922,961)	(922,961)
At 31st March 2016	<u>5,280</u>	<u>2,643,161</u>	<u>(11,010,254)</u>	<u>(8,361,813)</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1st April 2014	5,280	2,643,161	(9,289,371)	(6,640,930)
Comprehensive income for the year				
Loss for the year	-	-	(797,922)	(797,922)
At 31st March 2015	<u>5,280</u>	<u>2,643,161</u>	<u>(10,087,293)</u>	<u>(7,438,852)</u>

The notes on pages 10 to 21 form part of these financial statements.

THE CROWN HOTEL HARROGATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2016

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(922,961)	(797,922)
Adjustments for:		
Depreciation of tangible assets	326,444	314,427
Decrease / (increase) in stocks	12,996	(19,541)
Interest charged	931,168	932,116
Decrease in debtors	23,734	5,676
Decrease in creditors	(8,971)	(37)
Net cash generated from operating activities	<u>362,410</u>	<u>434,719</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(63,740)	(130,359)
HP interest paid	-	(944)
Net cash from investing activities	<u>(63,740)</u>	<u>(131,303)</u>
Cash flows from financing activities		
Unpaid interest	640,275	562,227
Interest charged in year	(931,168)	(931,172)
Net cash used in financing activities	<u>(290,893)</u>	<u>(368,945)</u>
Net increase / (decrease) in cash and cash equivalents	<u>7,777</u>	<u>(65,529)</u>
Cash and cash equivalents at beginning of year	77,576	143,105
Cash and cash equivalents at the end of year	<u><u>85,353</u></u>	<u><u>77,576</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>85,353</u></u>	<u><u>77,576</u></u>

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less 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.

Repairs and maintenance are charged to profit and 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.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant & machinery	- 5%, 10%, 20% straight line
Fixtures & fittings	- 5%, 10%, 20%, 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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.

1.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock 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.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. Accounting policies (continued)

1.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable and loans from shareholders.

Debt instruments (other than those wholly repayable within one year), including shareholder loan stock, are initially measured at the nominal value of the loan stock and subsequently at the nominal value of the loan stock and any unpaid accrued interest.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10 Creditors

Short term creditors are measured at the transaction price.

1.11 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.13 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The directors believe that the critical accounting policies where judgements or estimates are necessarily applied are depreciation charges and the useful economic lives of property, plant and equipment.

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 revision affects both current and future periods.

3. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Hotel operations	2,691,480	2,833,576

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	326,444	314,428
Defined contribution pension cost	4,956	2,618

5. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the Company's annual accounts	6,050	5,850
Fees payable to the Company's auditor in respect of:		
Services relating to taxation	1,050	1,000
All other services	8,331	8,879

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,069,408	1,064,936
Social security costs	78,562	81,571
Cost of defined contribution scheme	4,956	2,618
	<u>1,152,926</u>	<u>1,149,125</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Hotel staff	<u>60</u>	<u>62</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	<u>123,070</u>	<u>134,596</u>

8. Interest payable and similar charges

	2016 £	2015 £
Finance leases and hire purchase contracts	-	944
Other interest payable	931,168	931,172
	<u>931,168</u>	<u>932,116</u>

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

9. Taxation

	2016 £	2015 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21.5%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	(922,961)	(797,922)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21.5%)	(184,592)	(171,553)
Effects of:		
Expenses not deductible for tax purposes	2,487	2,315
Unrelieved tax losses carried forward	182,105	169,238
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Company has tax losses carried forward totalling £8,769,714 (2015: £8,121,774). No deferred tax asset has been recognised in respect of these.

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

10. Tangible fixed assets

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 April 2015	4,747,165	3,069,596	1,236,832	9,053,593
Additions	-	15,005	48,735	63,740
At 31st March 2016	<u>4,747,165</u>	<u>3,084,601</u>	<u>1,285,567</u>	<u>9,117,333</u>
Depreciation				
At 1 April 2015	529,181	2,276,854	1,047,347	3,853,382
Charge owned for the period	23,917	224,736	77,791	326,444
At 31st March 2016	<u>553,098</u>	<u>2,501,590</u>	<u>1,125,138</u>	<u>4,179,826</u>
Net book value				
At 31st March 2016	<u>4,194,067</u>	<u>583,011</u>	<u>160,429</u>	<u>4,937,507</u>
At 31st March 2015	<u>4,217,984</u>	<u>792,742</u>	<u>189,485</u>	<u>5,200,211</u>

Included within freehold property is land valued at a cost of £2,355,417 (2015: £2,355,417). Land is not depreciated.

11. Stocks

	2016 £	2015 £
Consumables	<u>26,436</u>	<u>39,432</u>

12. Debtors

	2016 £	2015 £
Trade debtors	18,110	11,275
Other debtors	-	22,710
Prepayments and accrued income	<u>38,408</u>	<u>46,267</u>
	<u>56,518</u>	<u>80,252</u>

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

13. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	85,353	77,576

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Payments received on account	106,993	140,440
Trade creditors	81,004	102,575
Taxation and social security	82,666	72,988
Other creditors	2,828	8,522
Accruals and deferred income	104,480	62,417
	377,971	386,942

15. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Shareholder loans	13,089,656	12,449,381

Secured loans

The shareholder loans are secured against the assets of the business.

16. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets	103,463	111,562
Financial liabilities		
Financial liabilities	(13,277,970)	(12,622,895)

Financial assets comprise trade and other debtors (note 12) and cash at bank and in hand (note 13).

Financial Liabilities comprise trade and other creditors (note 14) including amounts falling due after more than one year, but excluding those amounts relating to payment received on account and taxation and social security.

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

17. Shareholder loans

	2016 £	2015 £
14.63% secured loan stock	4,187,500	4,187,500
9.8% secured loan stock	1,500,000	1,500,000
Discounted loan stock	1,172,500	1,172,500
Unpaid interest	6,229,656	5,589,381
	<u>13,089,656</u>	<u>12,449,381</u>

The 14.63% secured loan stock comprises:

Trust name	Date of issue	£	Repayment period and terms
Albion Venture Capital Trust Plc	9 November 2005	1,340,000	5 years after issue date at par
Crown Place VCT	9 November 2005	1,273,000	5 years after issue date at par
Albion Venture Capital Trust Plc	9 May 2006	904,500	5 years after issue date at par
Crown Place VCT	9 May 2006	335,000	5 years after issue date at par
Albion Venture Capital Trust Plc	30 April 2007	335,000	5 years after issue date at par
Total		<u>4,187,500</u>	

Any loan stocks that have not been repaid within the original repayment periods will not be recalled by the loan stock holder within 12 months of the audit report date without alternative finance being available.

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Shareholder loans (continued)

The 9.8% secured loan stock comprises:

Trust name	Date of issue	£	Repayment period and terms
Crown Place VCT	26 January 2007	270,000	5 years after issue date at par
Crown Place VCT	22 February 2007	114,000	5 years after issue date at par
Albion Venture Capital Trust Plc	22 February 2007	20,000	5 years after issue date at par
Albion Venture Capital Trust Plc	28 February 2007	50,000	5 years after issue date at par
Albion Venture Capital Trust Plc	15 March 2007	130,000	5 years after issue date at par
Albion Venture Capital Trust Plc	16 April 2007	160,000	5 years after issue date at par
Albion Venture Capital Trust Plc	8 May 2007	60,000	5 years after issue date at par
Albion Venture Capital Trust Plc	31 May 2007	100,000	5 years after issue date at par
Albion Venture Capital Trust Plc	4 June 2007	15,000	5 years after issue date at par
Albion Venture Capital Trust Plc	26 June 2007	81,000	5 years after issue date at par
Albion Venture Capital Trust Plc	2 April 2008	208,000	5 years after issue date at par
Crown Place VCT	2 April 2008	192,000	5 years after issue date at par
Albion Venture Capital Trust Plc	7 April 2008	100,000	5 years after issue date at par
Total		1,500,000	

Any loan stocks that have not been repaid within the original repayment periods will not be recalled by the loan stock holder within 12 months of the audit report date without alternative finance being available.

The secured loan stock issued at discount comprises:

Trust name	Date of issue	Principal amount £	Discount £	Discounted issue price £
Healthcare & Leisure Property Limited	9 November 2005	2,030,000	857,500	1,172,500

The Healthcare & Leisure Property Limited loan stock is redeemable at monthly intervals of £14,295 over a period of 5 years from the date of issue with a final redemption of £1,186,795. The discount is charged as a finance cost over the life of the loan stock.

Whilst the original repayment date has not been met, the loan stock will not be recalled by the loan stock holder within 12 months of the audit report date without alternative finance being available.

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

18. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
5,280,000 Ordinary shares of £0.001 each	5,280	5,280

19. Reserves

Share premium

Share premium represents amounts paid for called up share capital in excess of the nominal value of the shares in issue.

Profit & loss account

The profit and loss account reserve represents accumulated losses since the Company was formed.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £4,956 (2015 - £2,618). Contributions totalling £768 (2015 - £716) were payable to the fund at the balance sheet date and are included in creditors.

21. Commitments under operating leases

At 31st March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	27,241	27,151
Later than 1 year and not later than 5 years	28,214	39,562
Total	55,455	66,713

THE CROWN HOTEL HARROGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

22. Related party transactions

During the year, the Company was charged monitoring fees and expenses by Albion Ventures LLP of which Mr H J A Stanford is a partner to the amount of £15,340 (2015: £15,940).

During the year, the Company was charged fees and expenses to the amount of £7,994 (2015: £8,430) by St. Andrews Golf and Resort Management Ltd of which Mr J M Thornton is a director.

During the year the Company was charged interest on shareholder loan stock of £931,168 (2015: £931,172). Of this, £290,893 (2015: £368,686) was paid during the year increasing the accrued interest on shareholder loan stock to £6,229,656 (2015: £5,589,381).

The Stanwell Hotel Limited is a sister company in which Albion Venture Capital Trust Plc has a significant investment. During the year the Company recharged staff costs to The Stanwell Hotel Limited totalling £29,902 (2015: £33,419).

Balances due from/ (owed to) related parties at the year end are as follows:

	2016 £	2015 £
Albion Ventures LLP	(29,938)	(15,940)
St. Andrews Golf and Resort Management Ltd	(6,875)	(8,430)
Albion Venture Capital Trust Plc	(6,587,361)	(6,265,608)
Crown Place VCT Plc	(4,147,198)	(3,946,626)
Healthcare & Leisure Property Limited	(2,355,097)	(2,237,146)
The Stanwell Hotel Limited	-	22,711
	<u>(13,126,469)</u>	<u>(12,451,039)</u>

23. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.