

**Strategic Report, Report of the Directors and**

**Audited Financial Statements**

**for the Year Ended 4 April 2017**

**for**

**Glynhill Hotel Limited**

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**for the Year Ended 4 April 2017**

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**Glynhill Hotel Limited**  
**Company Information**  
**for the Year Ended 4 April 2017**

**DIRECTORS:** Ms M Nicholas BA  
A H Nicholas  
F Scholarios  
R Nicholas

**SECRETARY:** W W Evans CA

**REGISTERED OFFICE:** 147 Bath Street  
Glasgow  
G2 4SN

**REGISTERED NUMBER:** SC044852 (Scotland)

**AUDITORS:** Gillespie & Anderson  
Statutory Auditors  
Chartered Accountants  
147 Bath Street  
Glasgow  
G2 4SN

**BANKERS:** The Royal Bank of Scotland plc  
1 Moncrieff Street  
Paisley  
PA3 2AW

**Strategic Report**  
**for the Year Ended 4 April 2017**

The directors present their strategic report for the year ended 4 April 2017.

**REVIEW OF BUSINESS**

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

The directors remain satisfied with the financial performance and position of the company which should be considered in the light of the ongoing challenging economic climate in the UK and globally.

Turnover has remained relatively steady in comparison with last year, whilst gross profit has increased in both real and in percentage terms. The company continues to progress due to the investment made in the Hotel in recent years and the plans put in place by the directors and senior management.

Operating profits have fallen to £334,345 (2016 - £417,719) due in the main to the increased depreciation costs arising from capital expenditure purchased in the year on short-term finance leases, which must be amortised over the period of the lease. Without this increase, the operating profit would have been relatively constant, reflecting the controls exercised by the management over necessary overhead expenditure.

Going forward, the directors are confident that the strong financial position at the year end as reflected in the Balance Sheet stands the company in good stead for the future. The company's selective programme of refurbishment has continued in the year under review, with capital expenditure in the year being in excess of £520,000, demonstrating the Board's ongoing commitment to investment in the Hotel and their confidence in the long-term future of the business.

The business objectives for the year ended 4 April 2018 (i.e. to improve profitability by achieving higher occupancy levels, with improved room rates and controlling costs, whilst continuing to offer guests an improved standard of facilities and service) remain valid for future financial years.

**Strategic Report**  
**for the Year Ended 4 April 2017**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Principal risks and uncertainties facing the business relate mainly to the overall economic factors facing the industry as a whole, together with prevailing local economic conditions, including increased competition. The sales plans in place and the targets set are indicative of the pro-active approach adopted by management in attaining the company's stated objectives.

Seasonality in the company's trade is also mitigated by the investments made in this and prior years, which seek to expand the range of activities on offer at the Hotel, whilst finance repayments are structured accordingly in line with anticipated cash flows.

Financial and cash flow risk is considered with the assistance of cash flow projections which are regularly reviewed and revisited in the light of subsequent events. The management team look to retain a level of reserves consistent with ongoing liabilities plus sufficient headroom to cover eventualities.

The directors recognise the risks associated with interest rate fluctuations on the loan finance in place and previously minimised this with the use of base rate swap agreements with the company's bankers. The arrangements in place were the subject of a review by the bank which resulted in significant redress payments in 2015. Following this, no replacement agreements were put in place which the directors consider to be acceptable in view of the low rates of interest currently in force and anticipated for the foreseeable future.

These are the most significant risks that may adversely affect business strategy, financial position or future performance. Senior management (including the new General Manager appointed in the current financial year) meet regularly to identify risk factors which may affect the business, evaluating the risk of these materialising and the financial or strategic impact of such events, in order to apply relevant and effective mitigating factors.

**ON BEHALF OF THE BOARD:**

Ms M Nicholas BA - Director

3 January 2018

**Report of the Directors**  
**for the Year Ended 4 April 2017**

The directors present their report with the financial statements of the company for the year ended 4 April 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of hotel proprietors.

**DIVIDENDS**

An interim dividend of £1 per share was paid on 19 August 2016. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 4 April 2017 will be £ 77,800 .

**FUTURE DEVELOPMENTS**

The company's specific plans for future development centre on the continuing refurbishment programme, designed to improve existing facilities and services on offer to both existing and new customers. Specific capital commitments for the forthcoming financial year are disclosed in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 5 April 2016 to the date of this report.

Ms M Nicholas BA

A H Nicholas

F Scholarios

R Nicholas

**FIXED ASSETS**

The movement in fixed assets during the year are summarised in the notes to the financial statements.

No formal valuation has yet been made of the company's interests in land. However, the directors are of the opinion that the market value is substantially higher than the amount at which it is included in the balance sheet, and draw the attention of the members of the company to this fact in accordance with schedule 7, paragraph 1 (2) of the Companies Act 1985.

**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;
- 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.

**Report of the Directors**  
**for the Year Ended 4 April 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 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, Gillespie & Anderson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Ms M Nicholas BA - Director

3 January 2018

**Report of the Independent Auditors to the Members of**  
**Glynhill Hotel Limited**

We have audited the financial statements of Glynhill Hotel Limited for the year ended 4 April 2017 on pages eight to twenty five. 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 4 April 2017 and of its profit for the year 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, based on the work undertaken in the course of our audit, 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, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.



**Report of the Independent Auditors to the Members of**  
**Glynhill Hotel 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.

Alun Johnstone BAcc CA (Senior Statutory Auditor)  
for and on behalf of Gillespie & Anderson  
Statutory Auditors  
Chartered Accountants  
147 Bath Street  
Glasgow  
G2 4SN

3 January 2018

**Profit & Loss Account**  
**for the Year Ended 4 April 2017**

	Notes	2017 £	£	2016 £	£
<b>TURNOVER</b>			5,211,726		5,225,531
Cost of sales			<u>2,276,278</u>		<u>2,332,694</u>
<b>GROSS PROFIT</b>			2,935,448		2,892,837
Administrative expenses			<u>2,608,154</u>		<u>2,483,517</u>
			327,294		409,320
Other operating income			<u>7,051</u>		<u>8,399</u>
<b>OPERATING PROFIT</b>	4		334,345		417,719
Income from fixed asset investments	5	22		12	
Interest receivable and similar income		<u>37</u>		<u>576</u>	
			<u>59</u>		<u>588</u>
			334,404		418,307
Interest payable and similar expenses	6		<u>63,190</u>		<u>50,942</u>
<b>PROFIT BEFORE TAXATION</b>			271,214		367,365
Tax on profit	7		<u>57,074</u>		<u>98,033</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			214,140		269,332
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>FOR THE YEAR</b>			<u>214,140</u>		<u>269,332</u>

The notes form part of these financial statements

**Glynhill Hotel Limited (Registered number: SC044852)**

**Balance Sheet**  
**4 April 2017**

	Notes	2017 £	£	2016 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		5,975,373		5,812,656
Investments	10		<u>414</u>		<u>414</u>
			5,975,787		5,813,070
<b>CURRENT ASSETS</b>					
Stocks	11	62,545		64,725	
Debtors	12	255,238		221,705	
Cash at bank and in hand		<u>150,964</u>		<u>190,798</u>	
		468,747		477,228	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>1,454,632</u>		<u>1,141,080</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(985,885)</u>		<u>(663,852)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,989,902		5,149,218
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(1,107,942)		(1,382,665)
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>(310,300)</u>		<u>(331,233)</u>
<b>NET ASSETS</b>			<u>3,571,660</u>		<u>3,435,320</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		77,800		77,800
Capital redemption reserve	21		87,200		87,200
Retained earnings	21		<u>3,406,660</u>		<u>3,270,320</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>3,571,660</u>		<u>3,435,320</u>

The financial statements were approved by the Board of Directors on 3 January 2018 and were signed on its behalf by:

Ms M Nicholas BA - Director

**Statement of Changes in Equity**  
**for the Year Ended 4 April 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 5 April 2015</b>	77,800	3,156,588	87,200	3,321,588
<b>Changes in equity</b>				
Dividends	-	(155,600)	-	(155,600)
Total comprehensive income	-	269,332	-	269,332
<b>Balance at 4 April 2016</b>	<u>77,800</u>	<u>3,270,320</u>	<u>87,200</u>	<u>3,435,320</u>
<b>Changes in equity</b>				
Dividends	-	(77,800)	-	(77,800)
Total comprehensive income	-	214,140	-	214,140
<b>Balance at 4 April 2017</b>	<u>77,800</u>	<u>3,406,660</u>	<u>87,200</u>	<u>3,571,660</u>

**Cash Flow Statement**  
**for the Year Ended 4 April 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	559,655	625,272
Interest paid		(37,319)	(39,849)
Interest element of finance lease payments paid		(25,871)	(11,093)
Tax paid		(62,183)	(98,462)
Net cash from operating activities		<u>434,282</u>	<u>475,868</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(520,374)	(940,604)
Interest received		37	576
Dividends received		22	12
Net cash from investing activities		<u>(520,315)</u>	<u>(940,016)</u>
<b>Cash flows from financing activities</b>			
New loans in year		131,015	681,922
Loan repayments in year		(291,323)	(257,883)
Capital repayments in year		(144,344)	(41,358)
Equity dividends paid		(77,800)	(155,600)
Net cash from financing activities		<u>(382,452)</u>	<u>227,081</u>
<b>Decrease in cash and cash equivalents</b>		<u>(468,485)</u>	<u>(237,067)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	190,798	427,865
<b>Cash and cash equivalents at end of year</b>	2	<u>(277,687)</u>	<u>190,798</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement**  
**for the Year Ended 4 April 2017**

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

	2017	2016
	£	£
Profit before taxation	271,214	367,365
Depreciation charges	357,655	266,468
Finance costs	63,190	50,942
Finance income	(59)	(588)
	<u>692,000</u>	<u>684,187</u>
Decrease/(increase) in stocks	2,180	(9,204)
Increase in trade and other debtors	(33,533)	(23,144)
Decrease in trade and other creditors	<u>(100,992)</u>	<u>(26,567)</u>
<b>Cash generated from operations</b>	<b><u>559,655</u></b>	<b><u>625,272</u></b>

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 4 April 2017**

	4.4.17	5.4.16
	£	£
Cash and cash equivalents	150,964	190,798
Bank overdrafts	<u>(428,651)</u>	<u>-</u>
	<b><u>(277,687)</u></b>	<b><u>190,798</u></b>

**Year ended 4 April 2016**

	4.4.16	5.4.15
	£	£
Cash and cash equivalents	<u>190,798</u>	<u>427,865</u>

**Notes to the Financial Statements**  
**for the Year Ended 4 April 2017**

**1. STATUTORY INFORMATION**

Glynhill Hotel Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These individual financial statements of the company 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. They are prepared under the going concern basis and under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit and loss.

**Significant judgements and estimates**

In preparing the financial statements, management is required to make judgements, estimates and assumptions, based on historical experience and other relevant factors. Actual results may differ from these best estimates, which are reviewed on an ongoing basis.

The items in the financial statements where these judgements are required (and the factors in play) include trade debtors (likelihood of recovery), stock (impairment losses), accruals (likelihood & quantum of liability) and fixed assets (depreciation rates and capitalisation of expense).

**Turnover**

Turnover represents net sales of goods and services, excluding value added tax, and recognised when the company becomes entitled to the income.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land & buildings	- 2% on cost
Leisure complex plant	- 10% on reducing balance
Heating installation	- 10% on reducing balance
Electrical installation	- 10% on reducing balance
Plant & fittings	- 10% on reducing balance
Furnishings	- 10% on reducing balance
Motor vehicles	- 20% on reducing balance and 20% on cost

As permitted by the Companies Act, crockery, glassware and linen have been stated at a fixed quantity and value since their quantity, value and composition is not subject to material variation and their overall value is not material to assessing the company's state of affairs.

**Stocks**

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

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

The company has chosen to adopt the provisions of sections 11 & 12 of FRS 102 and consider all financial assets and liabilities as falling within the definition of basic financial instruments.

Basic financial assets (such as trade & other debtors and cash & bank balances) are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method, subject to any provision for impairment. Fixed asset investments (being investments in non-puttable ordinary shares which are publicly traded) are measured at fair value through profit or loss.

Basic financial liabilities (including trade & other creditors, bank & other loans, finance leases and deposits) are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit & Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**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.

Rentals paid under operating lease are charged to the income statement on a straight line basis over the period of the lease.



**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**2. ACCOUNTING POLICIES - continued**

**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.

**3. EMPLOYEES AND DIRECTORS**

	2017	2016
	£	£
Wages and salaries	2,001,970	2,065,556
Social security costs	140,788	141,041
Other pension costs	128,208	146,838
	<u>2,270,966</u>	<u>2,353,435</u>

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

	2017	2016
Directors	4	4
Administration	17	18
Others	142	135
	<u>163</u>	<u>157</u>

	2017	2016
	£	£
Directors' remuneration	193,344	189,510
Directors' pension contributions to money purchase schemes	<u>43,200</u>	<u>45,600</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	245,648	227,721
Depreciation - assets on finance leases	112,009	38,746
Auditors' remuneration	14,000	12,000
Auditors' remuneration for non audit work	16,950	15,750
Exchange rate gains/(losses)	1,394	1,658
Rentals under operating leases - plant & machinery	<u>70,674</u>	<u>67,826</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**5. INCOME FROM FIXED ASSET INVESTMENTS**

	2017	2016
	£	£
Franked investment income	<u>22</u>	<u>12</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017	2016
	£	£
Bank loan interest	33,577	33,741
Other interest charges	3,742	6,108
Leasing	<u>25,871</u>	<u>11,093</u>
	<u>63,190</u>	<u>50,942</u>

**7. 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	78,007	62,183
Deferred tax:		
Movement in timing differences	<u>(20,933)</u>	<u>35,850</u>
Tax on profit	<u>57,074</u>	<u>98,033</u>

**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>271,214</u>	<u>367,365</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	54,243	73,473
Effects of:		
Expenses not deductible for tax purposes	3,943	4,472
Income not taxable for tax purposes	(4)	(2)
Capital allowances in excess of depreciation	-	(15,760)
Depreciation in excess of capital allowances	19,868	-
Reduced tax rate for FY 2017	(43)	-
Deferred tax movements	<u>(20,933)</u>	<u>35,850</u>
Total tax charge	<u>57,074</u>	<u>98,033</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**8. DIVIDENDS**

	2017 £	2016 £
Ordinary Shares shares of £1 each		
Interim	<u>77,800</u>	<u>155,600</u>

**9. TANGIBLE FIXED ASSETS**

	Land & buildings £	Leisure complex plant £	Heating installation £	Electrical installation £
<b>COST</b>				
At 5 April 2016	6,911,735	445,867	477,358	399,303
Additions	356,576	9,879	11,202	-
At 4 April 2017	<u>7,268,311</u>	<u>455,746</u>	<u>488,560</u>	<u>399,303</u>
<b>DEPRECIATION</b>				
At 5 April 2016	2,386,651	409,031	369,556	336,766
Charge for year	138,174	7,656	18,902	6,259
At 4 April 2017	<u>2,524,825</u>	<u>416,687</u>	<u>388,458</u>	<u>343,025</u>
<b>NET BOOK VALUE</b>				
At 4 April 2017	<u>4,743,486</u>	<u>39,059</u>	<u>100,102</u>	<u>56,278</u>
At 4 April 2016	<u>4,525,084</u>	<u>36,836</u>	<u>107,802</u>	<u>62,537</u>

	Plant & fittings £	Furnishings £	Motor vehicles £	Crockery, glassware, linen £	Totals £
<b>COST</b>					
At 5 April 2016	2,144,875	1,491,512	15,188	19,699	11,905,537
Additions	91,950	50,767	-	-	520,374
At 4 April 2017	<u>2,236,825</u>	<u>1,542,279</u>	<u>15,188</u>	<u>19,699</u>	<u>12,425,911</u>
<b>DEPRECIATION</b>					
At 5 April 2016	1,418,816	1,156,874	15,187	-	6,092,881
Charge for year	144,102	42,564	-	-	357,657
At 4 April 2017	<u>1,562,918</u>	<u>1,199,438</u>	<u>15,187</u>	<u>-</u>	<u>6,450,538</u>
<b>NET BOOK VALUE</b>					
At 4 April 2017	<u>673,907</u>	<u>342,841</u>	<u>1</u>	<u>19,699</u>	<u>5,975,373</u>
At 4 April 2016	<u>726,059</u>	<u>334,638</u>	<u>1</u>	<u>19,699</u>	<u>5,812,656</u>

All buildings owned by the company are classed as freehold property.

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

9. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under finance leases are as follows:

	Land & buildings £	Leisure complex plant £	Heating installation £
<b>COST</b>			
At 5 April 2016	-	-	8,886
Additions	2,373	6,755	11,202
At 4 April 2017	2,373	6,755	20,088
<b>DEPRECIATION</b>			
At 5 April 2016	-	-	889
Charge for year	297	3,659	8,919
Transfer to ownership	-	-	-
At 4 April 2017	297	3,659	9,808
<b>NET BOOK VALUE</b>			
At 4 April 2017	2,076	3,096	10,280
At 4 April 2016	-	-	7,997
	Plant & fittings £	Furnishings £	Totals £
<b>COST</b>			
At 5 April 2016	251,379	-	260,265
Additions	51,970	54,631	126,931
Transfer to ownership	(67,899)	-	(67,899)
At 4 April 2017	235,450	54,631	319,297
<b>DEPRECIATION</b>			
At 5 April 2016	64,479	-	65,368
Charge for year	88,319	10,815	112,009
Transfer to ownership	(67,895)	-	(67,895)
At 4 April 2017	84,903	10,815	109,482
<b>NET BOOK VALUE</b>			
At 4 April 2017	150,547	43,816	209,815
At 4 April 2016	186,900	-	194,897

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**10. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>COST</b>	
At 5 April 2016 and 4 April 2017	<u>414</u>
<b>NET BOOK VALUE</b>	
At 4 April 2017	<u>414</u>
At 4 April 2016	<u>414</u>

**11. STOCKS**

	2017 £	2016 £
Goods for resale	<u>62,545</u>	<u>64,725</u>

Stock recognised as an expense in the period amounted to £842,355 (2016 - £868,999), net of supplier discounts received.

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

	2017 £	2016 £
Trade debtors	182,788	159,467
Other debtors	3,375	12,959
Prepayments	<u>69,075</u>	<u>49,279</u>
	<u>255,238</u>	<u>221,705</u>

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

	2017 £	2016 £
Bank loans and overdrafts (see note 15)	662,224	275,576
Other loans (see note 15)	2,667	10,262
Finance leases (see note 16)	109,779	90,112
Trade creditors	143,827	222,584
Corporation tax	78,007	62,183
Social security and other taxes	31,861	32,483
VAT	175,434	167,455
Leisure complex subscriptions prepaid	5,882	6,880
Deposits	159,932	186,224
Accrued expenses	<u>85,019</u>	<u>87,321</u>
	<u>1,454,632</u>	<u>1,141,080</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

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

	2017	2016
	£	£
Bank loans (see note 15)	1,037,826	1,276,886
Other loans (see note 15)	-	2,667
Finance leases (see note 16)	70,116	103,112
	<u>1,107,942</u>	<u>1,382,665</u>

15. **LOANS**

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	428,651	-
Bank loans	233,573	275,576
Loan - Carbon Trust	-	6,262
Heineken loan	2,667	4,000
	<u>664,891</u>	<u>285,838</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	163,029	233,633
Heineken loan	-	2,667
	<u>163,029</u>	<u>236,300</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>290,233</u>	<u>357,041</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years	<u>584,564</u>	<u>686,212</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**15. LOANS - continued**

The company entered into a fifteen year term loan with the Royal Bank of Scotland plc in 2005, interest being levied at base plus 1.75% per annum on an initial advance to £1,300,000. Monthly repayments following restructuring in 2014/15 are £6,362 with the loan due to expire in December 2019.

In 2008, the bank advanced a further loan of £1,500,000, repayable over ten years, with interest again being levied at base plus 1.75% p.a. Monthly repayments following restructuring in 2014/15 are £8,402 with the loan due to expire in December 2017.

In 2012, the bank advanced £200,000 repayable over five years, with interest levied on the fixed rate basis at 5.27% p.a. (monthly repayments of £3,853). This loan was repaid in the year under review.

In 2015, the bank advanced two further loans to the company. The first of these was a loan of £250,000 repayable over twelve years, with interest being levied at base plus 2.25% and monthly repayments of £2,040, due to expire in May 2026. The second loan advanced in the year amounted to £400,000 repayable over twelve years, with interest being levied at base plus 2.04% and monthly repayments of £3,224, due to expire in February 2027.

In the prior year, the bank advanced £500,000 to the company, with interest being levied at base plus 2.25% and monthly repayments of £4,079. The loan has a committed term of five years (expiring February 2021) but a repayment profile of 12 years. As there is a mutual expectancy that the loan will extend beyond the committed term, and that repayments will fall in line with the repayment profile, the liability has been disclosed in the accounts as being repayable over twelve years.

All loans with the company's bankers are secured by the existing security held by the bank and disclosed elsewhere in the financial statements.

In addition, the company entered into an unsecured five year loan with the Carbon Trust in 2012 for £75,149 (monthly repayments of £1,536) in 2012 which has been repaid in full in the year under review. Another unsecured five year loan of £20,000 was received in 2013 from Heineken UK (monthly repayments of £333), with conditions attached in relation to the minimum purchase of products from the provider.

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

16. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Finance leases	
	2017	2016
	£	£
Gross obligations repayable:		
Within one year	130,012	103,747
Between one and five years	<u>84,645</u>	<u>119,354</u>
	<u>214,657</u>	<u>223,101</u>
Finance charges repayable:		
Within one year	20,233	13,635
Between one and five years	<u>14,529</u>	<u>16,242</u>
	<u>34,762</u>	<u>29,877</u>
Net obligations repayable:		
Within one year	109,779	90,112
Between one and five years	<u>70,116</u>	<u>103,112</u>
	<u>179,895</u>	<u>193,224</u>
	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	71,842	59,392
Between one and five years	<u>3,400</u>	<u>7,800</u>
	<u>75,242</u>	<u>67,192</u>



**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdraft	428,651	-
Bank loans	1,271,399	1,552,462
Finance leases	<u>179,895</u>	<u>193,224</u>
	<u><u>1,879,945</u></u>	<u><u>1,745,686</u></u>

The Royal Bank of Scotland plc holds a standard security over the Glynhill Hotel, 169 Paisley Road, Renfrew, dated 26/7/79, together with a bond and floating charge over the company's whole assets and undertakings, dated 7/6/72.

Finance lease creditors are secured over the assets to which the finance relates.

**18. FINANCIAL INSTRUMENTS**

	2017	2016
	£	£
<b><u>FINANCIAL ASSETS</u></b>		
Measured at fair value	414	414
Measured at amortised cost	337,127	363,224
<b><u>FINANCIAL LIABILITIES</u></b>		
Measured at amortised cost	2,271,391	2,254,744

**19. PROVISIONS FOR LIABILITIES**

	2017	2016
	£	£
Deferred tax		
Accelerated capital allowances	<u>310,300</u>	<u>331,233</u>
		Deferred tax
		£
Balance at 5 April 2016		331,233
Movement in timing differences		<u>(20,933)</u>
Balance at 4 April 2017		<u><u>310,300</u></u>

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017	2016
			£	£
77,800	Ordinary Shares	£1	<u>77,800</u>	<u>77,800</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**20. CALLED UP SHARE CAPITAL - continued**

All shares in issue have full rights in relation to voting, dividends and distribution of capital, ranking pari passu.

**21. RESERVES**

	Retained earnings £	Capital redemption reserve £	Totals £
At 5 April 2016	3,270,320	87,200	3,357,520
Profit for the year	214,140		214,140
Dividends	(77,800)		(77,800)
At 4 April 2017	<u>3,406,660</u>	<u>87,200</u>	<u>3,493,860</u>

**22. PENSION COMMITMENTS**

The company operates three pension schemes. The executive pension scheme is a defined contribution scheme containing two employees, while the other two schemes are group personal pensions for other staff - the most recent scheme was set up in the prior year in response to the requirements of auto enrolment.

The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to all funds and amounted to £128,208 in the current year (2016 - £146,838).

There were no accrued or prepaid pension contributions in either the current or previous financial year.

**23. CAPITAL COMMITMENTS**

The directors anticipate that the rolling programme of selective capital expenditure will continue in 2017/18.

Specifically, the company have committed to making capital expenditure in 2017/18 totalling approximately £300,000 in relation to the refurbishment of bedrooms in the White Wing and in the Club Wing, with the work starting in late 2017.

**24. OTHER FINANCIAL COMMITMENTS**

Subsequent to the year-end but in advance of the finalisation date of these financial statements, the company have declared and paid dividends totalling £155,600 (equating to £2 per share).

Furthermore, all things being equal, it is the intention of the directors to declare a further dividend of £1 per share in March 2018, in keeping with the dividend policy adopted in recent years.

**25. RELATED PARTY DISCLOSURES**

During the year, total dividends of £77,800 (2016 - £155,600) were paid to the directors .

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2017**

**25. RELATED PARTY DISCLOSURES - continued**

During the course of the year under review, the company made related party sales of £1,105 (2016 - £2,733) to the Harry Nicholas Charitable Trust. This charitable body is regarded as a related party since three of its trustees are also directors of the company. No related party balance existed in this regard at this or the prior financial year end.

Disclosure of all related party emoluments and pension contributions are disclosed elsewhere in the notes to the financial statements - the directors are considered to be the only employees falling within the definition of related parties contained within FRS 102.

**26. ULTIMATE CONTROLLING PARTY**

The company is privately owned - Miss M Nicholas & Mr A H Nicholas both own 29,600 shares with the remaining 18,600 shares being owned by Mr R Nicholas - all shareholders are also directors of the company.

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