

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

**Audited Financial Statements**

**for the Year Ended 4 April 2022**

**for**

**Glynhill Hotel Limited**

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**for the Year Ended 4 April 2022**

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**Glynhill Hotel Limited**  
**Company Information**  
**for the Year Ended 4 April 2022**

**DIRECTORS:**

Ms M Nicholas  
A H Nicholas  
R Nicholas  
S Scholarios

**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 2022**

The directors present their strategic report for the year ended 4 April 2022.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements, which should be considered in the light of the ongoing challenging economic climate created by the Covid-19 pandemic that has impacted the hotel trade more than most.

Turnover increased to a figure of £3,217,900 (2021 £696,393), with all departments showing the effects of the recommencement of trade following the the effects of Covid and lockdown restrictions. Similarly the costs (both direct and overheads) have increased accordingly, whilst grant funding from local and national government of £199,884 (2021 - £1,057,481) was received (including £40,185 to help fund capital expenditure) along with the benefits of business rates relief and the reduced rate of VAT for the hospitality industry over the period.

Overall, the company had a pre-tax profit of £551,101 (which includes depreciation of £242,024) in comparison with 2021's pre-tax losses of £519,645.

Looking to the balance sheet, the Hotel has remained open throughout the pandemic, offering its services to NHS and all essential workers and businesses, whilst maintaining the condition, fabric and safety of the building. The company looks to continue its progress from the investment made in recent years together with the plans put in place by senior management. Net assets at the financial year end remain healthy, despite the adverse trading conditions experienced during lockdown and beyond.

The company's programme of refurbishment was curtailed in the year under review due to the circumstances experienced, and whilst capital expenditure of £89,886 was still incurred, this is a reduction on the investment in fixed assets normally made in the Hotel. Since the year end, the programme of ongoing capital expenditure and repairs has resumed, under the control and supervision of management..

Going forward, the directors are confident that the strong financial position at 4 April 2022 as reflected in the balance sheet continues to stand the company in good stead. The underlying business objectives (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, and the directors are confident that the shift in focus which was imperative to safeguard the business's survival during the pandemic will dissipate as matters return to normality.

**Strategic Report**  
**for the Year Ended 4 April 2022**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Principal risks and uncertainties facing the business relate mainly to the overall economic factors facing the leisure industry as a whole, due to the Covid-19 pandemic which began in the prior year and which is still affecting businesses and people's everyday lives. This negatively affected the economy as a whole, with particular damage seen in the leisure, hospitality and entertainment sectors of industry. This, together with prevailing local economic conditions (including the impending rise in business rates and utilities costs) are the main risks facing the company.

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, in the face of increased competition.

Seasonality in the company's trade is also mitigated by the investments made in 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.

These are the most significant risks that may adversely affect business strategy, financial position or future performance. Senior management 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:**

R Nicholas - Director

4 April 2023

**Report of the Directors**  
**for the Year Ended 4 April 2022**

The directors present their report with the financial statements of the company for the year ended 4 April 2022.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

No dividends will be distributed for the year ended 4 April 2022.

**FUTURE DEVELOPMENTS**

The company's specific plans for future development centre on the recommencement of the refurbishment programme, designed to improve existing facilities and services on offer to both existing and new customers.

Further changes to the management structure continued in the year under review, with an emphasis on driving the company forward via sales initiatives, whilst improving the margins being achieved, and controlling the costs and streamlining the services being provided.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 5 April 2021 to the date of this report.

Ms M Nicholas

A H Nicholas

R Nicholas

Other changes in directors holding office are as follows:

S Scholarios - appointed 23 November 2021

**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.

**Report of the Directors**  
**for the Year Ended 4 April 2022**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Gillespie & Anderson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

R Nicholas - Director

4 April 2023

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

**Opinion**

We have audited the financial statements of Glynhill Hotel Limited (the 'company') for the year ended 4 April 2022 which comprise the Profit & Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the 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 company's affairs as at 4 April 2022 and of its 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 company 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 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**  
**Glynhill Hotel Limited**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

1. Enquiries of management and senior staff, including obtaining and reviewing supporting documentation concerning the company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
2. Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. In doing so, we identified potential audit risks in relation to revenue recognition, possible management override of controls and the applicability of the going concern basis of accounting.
3. Obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included the Companies Act 2006, Health & Safety (& similar) regulations, national & local licencing requirements, pensions legislation and UK tax legislation.

**Audit response to risks identified**

As a result of performing the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and (if appropriate) external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing relevant internal reports and reviewing correspondence with HMRC;
- in addressing the area of revenue recognition, the performance of cut-off testing and review of post year end receipts for completeness, along with a review of analytical procedures on profit margins being achieved;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- in consideration of the suitability of the going concern basis of accounting, we carried out the work referred previously in our report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the Financial Statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error as fraud may involve deliberate concealment by (for example) forgery, misrepresentation or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we are to become aware of it.

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

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](http://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.

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

4 April 2023

**Profit & Loss Account**  
**for the Year Ended 4 April 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>		3,217,900	696,393
Cost of sales		<u>1,127,472</u>	<u>423,533</u>
<b>GROSS PROFIT</b>		2,090,428	272,860
Administrative expenses		<u>1,532,416</u>	<u>1,113,665</u>
		558,012	(840,805)
Other operating income		<u>44,407</u>	<u>372,561</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	602,419	(468,244)
Income from fixed asset investments	5	<u>10</u>	<u>-</u>
		602,429	(468,244)
Interest payable and similar expenses	6	<u>51,328</u>	<u>51,401</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		551,101	(519,645)
Tax on profit/(loss)	7	<u>139,163</u>	<u>(69,213)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		411,938	(450,432)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>411,938</u>	<u>(450,432)</u>

The notes form part of these financial statements

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

**Balance Sheet**  
**4 April 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		5,137,763		5,289,901
Investments	9		<u>414</u>		<u>414</u>
			5,138,177		5,290,315
<b>CURRENT ASSETS</b>					
Stocks	10	36,392		25,443	
Debtors	11	89,643		159,936	
Cash at bank and in hand		<u>343,172</u>		<u>3,288</u>	
		469,207		188,667	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>865,152</u>		<u>936,428</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(395,945)</u>		<u>(747,761)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,742,232		4,542,554
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(1,088,262)		(1,335,895)
<b>PROVISIONS FOR LIABILITIES</b>	18		(294,203)		(294,997)
<b>ACCRUALS AND DEFERRED INCOME</b>	19		<u>(36,167)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>3,323,600</u>		<u>2,911,662</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		77,800		77,800
Capital redemption reserve			87,200		87,200
Retained earnings			<u>3,158,600</u>		<u>2,746,662</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>3,323,600</u>		<u>2,911,662</u>

The financial statements were approved by the Board of Directors and authorised for issue on 4 April 2023 and were signed on its behalf by:

R Nicholas - Director

The notes form part of these financial statements

**Statement of Changes in Equity**  
**for the Year Ended 4 April 2022**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 5 April 2020</b>	77,800	3,197,094	87,200	3,362,094
<b>Changes in equity</b>				
Total comprehensive income	-	(450,432)	-	(450,432)
<b>Balance at 4 April 2021</b>	<u>77,800</u>	<u>2,746,662</u>	<u>87,200</u>	<u>2,911,662</u>
<b>Changes in equity</b>				
Total comprehensive income	-	411,938	-	411,938
<b>Balance at 4 April 2022</b>	<u>77,800</u>	<u>3,158,600</u>	<u>87,200</u>	<u>3,323,600</u>

**Cash Flow Statement**  
**for the Year Ended 4 April 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	912,504	(333,463)
Interest paid		(46,351)	(48,049)
Interest element of hire purchase and finance lease rental payments paid		(4,977)	(3,352)
Tax paid		(62,482)	(18,641)
Net cash from operating activities		<u>798,694</u>	<u>(403,505)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(89,886)	(24,329)
Dividends received		10	-
Net cash from investing activities		<u>(89,876)</u>	<u>(24,329)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	600,000
Loan repayments in year		(223,226)	(12,009)
Capital repayments in year		(23,641)	(15,807)
Amount introduced by directors		-	3,390
Amount withdrawn by directors		(3,390)	-
Net cash from financing activities		<u>(250,257)</u>	<u>575,574</u>
<b>Increase in cash and cash equivalents</b>		<u>458,561</u>	<u>147,740</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(115,389)	(263,129)
<b>Cash and cash equivalents at end of year</b>	2	<u>343,172</u>	<u>(115,389)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement**  
**for the Year Ended 4 April 2022**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit/(loss) before taxation	551,101	(519,645)
Depreciation charges	242,024	271,597
Finance costs	51,328	51,401
Finance income	(10)	-
	<u>844,443</u>	<u>(196,647)</u>
(Increase)/decrease in stocks	(10,949)	30,762
Decrease/(increase) in trade and other debtors	70,293	(28,888)
Increase/(decrease) in trade and other creditors	<u>8,717</u>	<u>(138,690)</u>
<b>Cash generated from operations</b>	<u><u>912,504</u></u>	<u><u>(333,463)</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 4 April 2022**

	4.4.22	5.4.21
	£	£
Cash and cash equivalents	343,172	3,288
Bank overdrafts	<u>-</u>	<u>(118,677)</u>
	<u><u>343,172</u></u>	<u><u>(115,389)</u></u>

**Year ended 4 April 2021**

	4.4.21	5.4.20
	£	£
Cash and cash equivalents	3,288	9,213
Bank overdrafts	<u>(118,677)</u>	<u>(272,342)</u>
	<u><u>(115,389)</u></u>	<u><u>(263,129)</u></u>



**Notes to the Cash Flow Statement**  
**for the Year Ended 4 April 2022**

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 5.4.21 £	Cash flow £	At 4.4.22 £
<b>Net cash</b>			
Cash at bank and in hand	3,288	339,884	343,172
Bank overdrafts	<u>(118,677)</u>	<u>118,677</u>	<u>-</u>
	<u>(115,389)</u>	<u>458,561</u>	<u>343,172</u>
<b>Debt</b>			
Hire purchase and finance leases	(33,284)	23,641	(9,643)
Debts falling due within 1 year	(230,518)	(14,765)	(245,283)
Debts falling due after 1 year	<u>(1,326,253)</u>	<u>237,991</u>	<u>(1,088,262)</u>
	<u>(1,590,055)</u>	<u>246,867</u>	<u>(1,343,188)</u>
<b>Total</b>	<u>(1,705,444)</u>	<u>705,428</u>	<u>(1,000,016)</u>

**Notes to the Financial Statements**  
**for the Year Ended 4 April 2022**

**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.

**Going concern disclosures**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Despite the issues of the Covid-19 pandemic and the attendant lockdown restrictions, the management have continued operations throughout this period, and with the ongoing support of the company's bankers and suppliers, and by accessing all support (financial & otherwise) which has been available at local and national levels. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**Significant judgements and estimates**

In preparing the financial statements, management are 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 & services, excluding value added tax and any discount offered, and includes all income (including rental income) which the directors consider to be relevant to the main trading activities of the company. Such turnover is recognised when the company becomes entitled to the income concerned and when the outcome of the transaction can be reliably measured.

For turnover involving the sale of goods, this occurs when:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company no longer retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For turnover involving the rendering of services, this occurs by reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of a transaction can be estimated reliably, with the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

For example, turnover in relation to room sales is recognised at close of business on the date of the customer's stay, along with all services provided to the guest during that day, whilst the Leisure Club membership fees received in advance of the period of membership are deferred and released according to the period of membership.

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

Factors such as a change in how an asset is used, significant unexpected wear and tear, technological advancement, and changes in market prices may indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date. If such indicators are present, the company will review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life, accounting for such revisions as a change in an accounting estimate in accordance with FRS 102.

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.

**Government grants**

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to the grant and the grant will be received.

A grant that does not impose specified future performance-related conditions on the recipient is recognised in income when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the recipient is recognised in income only when those conditions are met.

Grants are classified as either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

**Stocks**

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

**Financial instruments**

The company has no complex financial instruments but does hold basic financial instruments of; cash at bank, debtors and creditors.

Cash and cash equivalents comprise cash at bank and on hand, foreign currency on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. A bank overdraft would be shown within current liabilities.

Trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less losses for bad debts except where the effective of discounting would be immaterial. In such cases, trade and other debtors are stated at cost less losses for bad debts.

Trade and other creditors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate unless the effect of discounting would be immaterial. In such cases, trade and other creditors are stated at cost.

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**2. ACCOUNTING POLICIES - continued**

**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.

**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.

**Employee benefits**

The total cost of employee benefits to which employees have become entitled because of service rendered to the entity during the reporting period are recognised and charged to the profit and loss account in the period to which they relate.

**Provision for liabilities**

A provision is initially recognised when there is an obligation at the balance sheet date as the result of a past event, it is probable that there will be the transfer of funds in settlement and the amount of the obligation can be estimated reliably. The provision is subsequently measured by placing a charge against the provision only for expenditure for which the provision was originally recognised.

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**3. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	1,219,529	1,274,977
Social security costs	94,709	77,116
Other pension costs	65,681	65,759
	<u>1,379,919</u>	<u>1,417,852</u>

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

	2022	2021
Directors	4	3
Administration	12	12
Others	55	72
	<u>71</u>	<u>87</u>

	2022	2021
	£	£
Directors' remuneration	216,543	181,379
Directors' pension contributions to money purchase schemes	<u>45,600</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>
------------------------	----------	----------

Information regarding the highest paid director for the year ended 4 April 2022 is as follows:

	2022
	£
Emoluments etc	107,278
Pension contributions to money purchase schemes	<u>4,800</u>

**4. OPERATING PROFIT/(LOSS)**

The operating profit (2021 - operating loss) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	242,108	245,668
Depreciation - assets on hire purchase contracts and finance leases	(85)	25,926
Auditors' remuneration	14,000	14,000
Auditors' remuneration for non audit work	7,373	5,180
Furlough grant income	134,616	699,460
Other Government grant assistance	25,083	358,061
Capital grant annual amortisation	<u>4,018</u>	<u>-</u>

**5. INCOME FROM FIXED ASSET INVESTMENTS**

	2022	2021
	£	£
Franked investment income	<u>10</u>	<u>-</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank interest	-	376
Bank loan interest	41,904	35,864
Corporation Tax interest	608	-
Other interest charges	3,839	11,809
Hire purchase	17	1,003
Leasing	4,960	2,349
	<u>51,328</u>	<u>51,401</u>

**7. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	137,018	-
Under provision in prior year	2,939	562
Over provision in prior year	-	(62,308)
Total current tax	<u>139,957</u>	<u>(61,746)</u>
Deferred tax:		
Movement in timing differences	(794)	(7,467)
Tax on profit/(loss)	<u>139,163</u>	<u>(69,213)</u>

**Reconciliation of total tax charge/(credit) 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:

	2022	2021
	£	£
Profit/(loss) before tax	<u>551,101</u>	<u>(519,645)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	104,709	(98,733)
Effects of:		
Expenses not deductible for tax purposes	3,004	851
Income not taxable for tax purposes	(1,174)	-
Depreciation in excess of capital allowances	30,479	35,574
Adjustments to tax charge in respect of previous periods	2,939	562
Deferred tax movements	(794)	(7,467)
Total tax charge/(credit)	<u>139,163</u>	<u>(69,213)</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**8. TANGIBLE FIXED ASSETS**

	Land & buildings £	Leisure complex plant £	Heating installation £	Electrical installation £
<b>COST</b>				
At 5 April 2021	7,544,415	456,196	529,840	400,898
Additions	(7,079)	17,683	-	2,045
Transfer to ownership	-	-	-	-
At 4 April 2022	7,537,336	473,879	529,840	402,943
<b>DEPRECIATION</b>				
At 5 April 2021	3,129,959	432,280	461,174	362,932
Charge for year	150,103	4,161	3,509	4,005
At 4 April 2022	3,280,062	436,441	464,683	366,937
<b>NET BOOK VALUE</b>				
At 4 April 2022	4,257,274	37,438	65,157	36,006
At 4 April 2021	4,414,456	23,916	68,666	37,966

  

	Plant & fittings £	Furnishings £	Crockery, glassware, linen £	Totals £
<b>COST</b>				
At 5 April 2021	2,393,221	1,617,951	19,699	12,962,220
Additions	77,237	-	-	89,886
Transfer to ownership	(1)	-	-	(1)
At 4 April 2022	2,470,457	1,617,951	19,699	13,052,105
<b>DEPRECIATION</b>				
At 5 April 2021	1,945,434	1,340,540	-	7,672,319
Charge for year	52,484	27,761	-	242,023
At 4 April 2022	1,997,918	1,368,301	-	7,914,342
<b>NET BOOK VALUE</b>				
At 4 April 2022	472,539	249,650	19,699	5,137,763
At 4 April 2021	447,787	277,411	19,699	5,289,901

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

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**8. TANGIBLE FIXED ASSETS - continued**

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

	Heating installation £	Plant & fittings £	Totals £
<b>COST</b>			
At 5 April 2021	29,024	72,252	101,276
Transfer to ownership	-	(5,711)	(5,711)
At 4 April 2022	<u>29,024</u>	<u>66,541</u>	<u>95,565</u>
<b>DEPRECIATION</b>			
At 5 April 2021	27,331	55,107	82,438
Charge for year	(3,188)	3,103	(85)
Transfer to ownership	-	(5,710)	(5,710)
At 4 April 2022	<u>24,143</u>	<u>52,500</u>	<u>76,643</u>
<b>NET BOOK VALUE</b>			
At 4 April 2022	<u>4,881</u>	<u>14,041</u>	<u>18,922</u>
At 4 April 2021	<u>1,693</u>	<u>17,145</u>	<u>18,838</u>

**9. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>COST</b>	
At 5 April 2021 and 4 April 2022	<u>414</u>
<b>NET BOOK VALUE</b>	
At 4 April 2022	<u>414</u>
At 4 April 2021	<u>414</u>

**10. STOCKS**

	2022 £	2021 £
Goods for resale	<u>36,392</u>	<u>25,443</u>

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

	2022 £	2021 £
Trade debtors	38,608	10,270
Other debtors	4,670	50,596
Prepayments	<u>46,365</u>	<u>99,070</u>
	<u>89,643</u>	<u>159,936</u>



**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

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

	2022	2021
	£	£
Bank loans and overdrafts (see note 14)	245,283	349,195
Hire purchase contracts and finance leases (see note 15)	9,643	23,642
Trade creditors	198,769	227,716
Corporation tax	125,319	47,844
Social security and other taxes	35,106	51,791
VAT	55,782	81,738
Leisure complex subscriptions prepaid	2,398	2,985
Deposits	100,068	46,531
Directors' current accounts	-	3,390
Accrued expenses	92,784	101,596
	<u>865,152</u>	<u>936,428</u>

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

	2022	2021
	£	£
Bank loans (see note 14)	1,088,262	1,326,253
Hire purchase contracts and finance leases (see note 15)	-	9,642
	<u>1,088,262</u>	<u>1,335,895</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	118,677
Bank loans	245,283	230,518
	<u>245,283</u>	<u>349,195</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>247,877</u>	<u>242,810</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>663,094</u>	<u>747,840</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years	<u>177,291</u>	<u>335,603</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**14. LOANS - continued**

In 2015, the bank advanced two 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 £2,015 which is now due to expire in May 2027. The second loan advanced in the year amounted to £400,000 repayable over twelve years, with interest being levied at base plus 2.54% and monthly repayments of £3,180, now due to expire in February 2028.

In 2016, the bank advanced £500,000 to the company, whilst a loan of £300,000 was advanced in 2019. Both loans have interest being levied at base plus 2.25% with monthly repayments of £4,016 and £2,827 respectively. Both loans have committed terms of five years but repayment profiles of 12 years. As there is a mutual expectancy that the loans will extend beyond the committed terms, and that repayments will fall in line with the repayment profiles, the liabilities has been disclosed in the accounts as being repayable over the repayment profile, rather than the committed terms.

In 2020, the bank advanced a £600,000 Coronavirus Business Interruption Loan to the company. The loan has interest levied at base plus 3.64% and monthly capital repayments of £10,000 following an initial repayment holiday of 12 months. The loan has committed terms of 6 years including the initial 1 year repayment holiday. Interest for the first 12 months is paid by UK Government.

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

**15. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts		Finance leases	
	2022	2021	2022	2021
	£	£	£	£
Gross obligations repayable:				
Within one year	465	10,104	3,947	17,756
Between one and five years	-	799	-	9,871
	<u>465</u>	<u>10,903</u>	<u>3,947</u>	<u>27,627</u>
Finance charges repayable:				
Within one year	(224)	692	(5,007)	3,526
Between one and five years	-	110	-	918
	<u>(224)</u>	<u>802</u>	<u>(5,007)</u>	<u>4,444</u>
Net obligations repayable:				
Within one year	689	9,412	8,954	14,230
Between one and five years	-	689	-	8,953
	<u>689</u>	<u>10,101</u>	<u>8,954</u>	<u>23,183</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**15. LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	11,174	25,113
Between one and five years	430	-
	<u>11,604</u>	<u>25,113</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdraft	-	118,677
Bank loans	1,333,545	1,556,771
Hire purchase contracts and finance leases	9,643	33,284
	<u>1,343,188</u>	<u>1,708,732</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.

Hire purchase and finance lease creditors are secured over the assets to which the finance relates.

**17. FINANCIAL INSTRUMENTS**

All financial assets and liabilities are measured at amortised cost, with the exception of the fixed assets investment, measured at fair value at 4 April 2022 of £414 (2021 - £414).

**18. PROVISIONS FOR LIABILITIES**

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>294,203</u>	<u>294,997</u>
		Deferred tax
		£
Balance at 5 April 2021		294,997
Credit to Profit & Loss Account during year		(794)
Balance at 4 April 2022		<u>294,203</u>

**19. ACCRUALS AND DEFERRED INCOME**

	2022	2021
	£	£
Deferred government grants	<u>36,167</u>	<u>-</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 4 April 2022**

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
77,800	Ordinary Shares	£1	<u>77,800</u>	<u>77,800</u>

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

**21. 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 2019 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 £65,681 in the current year (2021 - £65,759).

Accrued pension contributions of £800 (2021 - £800) are included within accrued charges at the financial year end.

**22. CAPITAL COMMITMENTS**

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>11,550</u>	<u>-</u>

**23. OTHER FINANCIAL COMMITMENTS**

No dividends have been declared subsequent to the year end of 4 April 2022 to the date of finalisation.

**24. RELATED PARTY DISCLOSURES**

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.

**25. POST BALANCE SHEET EVENTS**

Subsequent to the year end, the company received a claim for unfair dismissal from a former employee. The matter remains unresolved at this point and the company intend to fully contest the action raised.

**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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.