

REGISTERED NUMBER: SC090154 (Scotland)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2016
for
M F WELLS (HOTELS) LIMITED**



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for the Year Ended 31 March 2016**

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M F WELLS (HOTELS) LIMITED

**Company Information
for the Year Ended 31 March 2016**

Directors:

N Wells
I Wells
M Wells

Secretary:

M Wells

Registered office:

School Road
Gartocharn
Alexandria
Dunbartonshire
G83 8RW

Registered number:

SC090154 (Scotland)

Auditors:

James Anderson & Co
Chartered Accountants
Pentland Estate
Straiton
Edinburgh
EH20 9QH

M F WELLS (HOTELS) LIMITED (REGISTERED NUMBER: SC090154)

Strategic Report for the Year Ended 31 March 2016

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

Review of business

The principal activity of the company during the year continued to be that of proprietor of hotels and tour operator. The company arranges coach tours based around its hotels in Scotland.

Financial key performance indicators

Financial performance during the year can be analysed as follows:

Financial performance	31 March 2016	31 March 2015
Turnover (£000)	22,094	22,213
Net profit (£000)	1,161	1,893
Sales growth (%)	(0.5)	2.1

Turnover

The company's level of turnover £22.1m was very similar to the previous year £22.2m, a positive result given the competitive nature of the market in which the company operates.

Operating costs

Overheads were broadly at the same level as the previous year, and the company continued its policy of maintaining the standards of its hotels with an increased spend on renovations. The company made a profit of £61k (2015 - £250k) on the sale of surplus property. These factors contributed to an decrease in the net profit for the year to £1.2m (2015 - £1.9m).

Financing

The company has no external funding.

Principal risks and uncertainties

The company faces a number of risks and uncertainties. In response to this the directors have implemented a risk management system to monitor and mitigate these risks.

General economic conditions throughout the year continued to be difficult and the maintained level of turnover in the year reflects the value of the holidays provided. Costs are carefully monitored to ensure supplier inflation is minimised.

Future developments

The directors anticipate the business environment will remain competitive. The Loch Long hotel was sold in October 2016 and the company will continue with the upgrading of its other properties. The company is in a strong financial position and the directors remain confident that the company can maintain its financial performance.

**Strategic Report
for the Year Ended 31 March 2016**

Financial instruments

The company has a normal exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The company does not enter into any hedging transactions.

On behalf of the board:

A handwritten signature in black ink, appearing to be 'N Wells', written over a horizontal line.

N Wells - Director

15 November 2016

M F WELLS (HOTELS) LIMITED (REGISTERED NUMBER: SC090154)

Report of the Directors for the Year Ended 31 March 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

Dividends

Particulars of dividends paid to the parent company are detailed in note 9 to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

N Wells

I Wells

M Wells

Disabled Employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee Involvement

It is the company's policy to keep employees informed on matters affecting them as employees and to make them aware of the factors influencing the company's performance. This is done through announcement and staff briefings.

Disclosure in the strategic report

The company has chosen in accordance with s414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

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). 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.

M F WELLS (HOTELS) LIMITED (REGISTERED NUMBER: SC090154)

**Report of the Directors
for the Year Ended 31 March 2016**

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

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

On behalf of the board:

A handwritten signature in black ink, appearing to be 'N Wells', written in a cursive style.

N Wells - Director

15 November 2016

Report of the Independent Auditors to the Members of M F Wells (Hotels) Limited

We have audited the financial statements of M F Wells (Hotels) Limited for the year ended 31 March 2016 on pages eight to twenty. 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 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
M F Wells (Hotels) 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.

James Anderson & Co

Christopher Spalding (Senior Statutory Auditor)
for and on behalf of James Anderson & Co
Chartered Accountants
Pentland Estate
Straiton
Edinburgh
EH20 9QH

15 November 2016

M F WELLS (HOTELS) LIMITED (REGISTERED NUMBER: SC090154)

**Statement of Comprehensive Income
for the Year Ended 31 March 2016**

	Notes	2016 £	2015 £
Turnover	2	22,093,941	22,213,355
Cost of sales		(17,754,130)	(17,506,740)
Gross profit		4,339,811	4,706,615
Administrative expenses		(3,188,654)	(2,807,280)
Operating profit	4	1,151,157	1,899,335
Interest receivable and similar income	5	4,122	-
		1,155,279	1,899,335
Movement on investments	6	7,346	-
		1,162,625	1,899,335
Interest payable and similar charges	7	(1,791)	(6,123)
Profit on ordinary activities before taxation		1,160,834	1,893,212
Tax on profit on ordinary activities	8	(239,711)	(378,182)
Profit for the financial year		921,123	1,515,030
Other comprehensive income		-	-
Total comprehensive income for the year		921,123	1,515,030

The notes form part of these financial statements

M F WELLS (HOTELS) LIMITED (REGISTERED NUMBER: SC090154)**Balance Sheet
31 March 2016**

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	26,193,401	27,111,627
Current assets			
Stocks	11	99,679	96,600
Debtors	12	1,068,911	399,528
Investments	13	509,968	-
Cash at bank and in hand		1,697,117	2,067,071
		<u>3,375,675</u>	<u>2,563,199</u>
Creditors			
Amounts falling due within one year	14	(4,221,137)	(4,460,405)
Net current liabilities		<u>(845,462)</u>	<u>(1,897,206)</u>
Total assets less current liabilities		25,347,939	25,214,421
Creditors			
Amounts falling due after more than one year	15	(382,269)	(392,269)
Provisions for liabilities	17	<u>(204,428)</u>	<u>(202,892)</u>
Net assets		<u>24,761,242</u>	<u>24,619,260</u>
Capital and reserves			
Called up share capital	18	50,000	50,000
Retained earnings	19	<u>24,711,242</u>	<u>24,569,260</u>
Shareholders' funds		<u>24,761,242</u>	<u>24,619,260</u>

The financial statements were approved by the Board of Directors on 15 November 2016 and were signed on its behalf by:



N Wells - Director

The notes form part of these financial statements

M F WELLS (HOTELS) LIMITED (REGISTERED NUMBER: SC090154)

**Statement of Changes in Equity
for the Year Ended 31 March 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	50,000	23,926,390	23,976,390
Changes in equity			
Dividends paid to parent company	-	(872,160)	(872,160)
Total comprehensive income	-	1,515,030	1,515,030
Balance at 31 March 2015	<u>50,000</u>	<u>24,569,260</u>	<u>24,619,260</u>
Changes in equity			
Dividends paid to parent company	-	(779,141)	(779,141)
Total comprehensive income	-	921,123	921,123
Balance at 31 March 2016	<u>50,000</u>	<u>24,711,242</u>	<u>24,761,242</u>

The notes form part of these financial statements

M F WELLS (HOTELS) LIMITED (REGISTERED NUMBER: SC090154)

**Cash Flow Statement
for the Year Ended 31 March 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	1,025,360	2,892,735
Interest paid		(1,791)	(6,123)
Tax paid		(322,697)	(398,000)
Net cash from operating activities		<u>700,872</u>	<u>2,488,612</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(459,193)	(290,740)
Sale of tangible fixed assets		663,965	580,316
Purchase of investment		(500,000)	-
Interest received		2,189	-
Dividends received		1,933	-
Net cash from investing activities		<u>(291,106)</u>	<u>289,576</u>
Cash flows from financing activities			
Loan to group company		(579)	-
Equity dividend paid to parent		(779,141)	(872,160)
Net cash from financing activities		<u>(779,720)</u>	<u>(872,160)</u>
(Decrease)/increase in cash and cash equivalents		<u>(369,954)</u>	<u>1,906,028</u>
Cash and cash equivalents at beginning of year	2	<u>2,067,071</u>	<u>161,043</u>
Cash and cash equivalents at end of year	2	<u><u>1,697,117</u></u>	<u><u>2,067,071</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2016**

1. Reconciliation of profit before taxation to cash generated from operations

	2016	2015
	£	£
Profit before taxation	1,160,834	1,893,212
Depreciation charges	774,469	842,118
Profit on disposal of fixed assets	(61,015)	(250,351)
Increase in value of investment	(9,967)	-
Finance costs	1,791	6,123
Finance income	(4,122)	-
	<u>1,861,990</u>	<u>2,491,102</u>
Increase in stocks	(3,079)	(11,708)
(Increase)/decrease in trade and other debtors	(668,805)	181,222
(Decrease)/increase in trade and other creditors	(164,746)	232,119
	<u>1,025,360</u>	<u>2,892,735</u>
Cash generated from operations	1,025,360	2,892,735

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2016

	31/3/16	1/4/15
	£	£
Cash and cash equivalents	<u>1,697,117</u>	<u>2,067,071</u>

Year ended 31 March 2015

	31/3/15	1/4/14
	£	£
Cash and cash equivalents	<u>2,067,071</u>	<u>161,043</u>

**Notes to the Financial Statements
for the Year Ended 31 March 2016**

1. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements for the year ended 31 March 2015 were prepared under the previous UK GAAP. The transition date to FRS 102 is therefore 1 April 2014.

There have been no changes to the financial performance or position of the business as a result of complying with the new standard.

Significant judgements and estimates

In the application of the company's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 the revision affects both current and future periods.

The directors have reviewed the asset lives and associated residual values of all fixed assets, and in particular the useful economic lives and residual values, and have concluded that assets lives and residual values are appropriate.

Turnover

Turnover is measured at the fair value of the consideration received or receivable excluding discounts, rebates, value added tax.

Turnover principally represents sales of holidays to customers. Sales are recognised on the date of departure and related costs of holidays are charged to the profit and loss account on the same basis. All revenue received relating to holidays departing after the year end is treated as deferred income at the balance sheet date and is separately disclosed within creditors.

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

1. Accounting policies - continued

Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost. Expenditure on hotels is capitalised if it provides new or enhanced revenue streams.

Depreciation is calculated to write off the cost of tangible fixed assets less their estimated residual value over their estimated useful lives on the undernoted basis:

Hotel properties 50 years
Motor vehicles 25% reducing balance
Motor launches 20% reducing balance
Fixtures & equipment 15% reducing balance

Government grants

Grants receivable in respect of tangible fixed assets are treated as deferred credit and are released to the profit and loss account over the estimated useful life of the assets.

Stocks

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

Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

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.

Pension costs and other post-retirement benefits

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

Operating leases

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

1. Accounting policies - continued

Investments

Current asset investments are initially recognised at cost and then measured at their fair value at the balance sheet date. The Income Statement includes net gains and losses arising from revaluations and disposals during the year.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. Staff costs

	2016	2015
	£	£
Wages and salaries	4,020,676	3,858,515
Social security costs	249,398	252,927
Other pension costs	61,579	42,775
	<u>4,331,653</u>	<u>4,154,217</u>

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

	2016	2015
Hotel staff	214	229
Administration	20	18
Resident managers	12	12
Working directors	2	2
	<u>248</u>	<u>261</u>

4. Operating profit

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

	2016	2015
	£	£
Depreciation - owned assets	774,469	842,118
Profit on disposal of fixed assets	(61,015)	(250,351)
Auditors' remuneration	11,000	10,000
	<u>724,454</u>	<u>591,767</u>
Directors' remuneration	<u>89,755</u>	<u>86,047</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

5. Interest receivable and similar income

	2016	2015
	£	£
Investment income	4,122	-
	<u>4,122</u>	<u>-</u>

6. Movement on investments

	2016	2015
	£	£
Investment written off	-	70,000
	<u>-</u>	<u>70,000</u>

7. Interest payable and similar charges

	2016	2015
	£	£
Bank interest	1,488	1,091
Other interest	303	5,032
	<u>1,791</u>	<u>6,123</u>

8. Taxation

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	238,175	393,188
Deferred tax	1,536	(15,006)
Tax on profit on ordinary activities	<u>239,711</u>	<u>378,182</u>

UK corporation tax has been charged at 20%.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

8. Taxation - continued

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:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,160,834</u>	<u>1,893,212</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	232,167	397,575
Effects of:		
Expenses not deductible for tax purposes	20,911	1,438
Adjustments to tax charge in respect of previous periods	(3,891)	-
Change in tax rate	(9,476)	(20,831)
Total tax charge	<u>239,711</u>	<u>378,182</u>

9. Dividends paid to parent company

	2016 £	2015 £
Ordinary shares of £1 each Paid to parent company	<u>779,141</u>	<u>872,160</u>

10. Tangible fixed assets

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Totals £
Cost				
At 1 April 2015	26,331,249	7,168,290	297,740	33,797,279
Additions	10,488	273,482	175,223	459,193
Disposals	(531,250)	-	(165,413)	(696,663)
At 31 March 2016	<u>25,810,487</u>	<u>7,441,772</u>	<u>307,550</u>	<u>33,559,809</u>
Depreciation				
At 1 April 2015	2,809,410	3,734,097	142,145	6,685,652
Charge for year	184,849	556,151	33,469	774,469
Written back on disposals	-	-	(93,713)	(93,713)
At 31 March 2016	<u>2,994,259</u>	<u>4,290,248</u>	<u>81,901</u>	<u>7,366,408</u>
Net book value				
At 31 March 2016	<u>22,816,228</u>	<u>3,151,524</u>	<u>225,649</u>	<u>26,193,401</u>
At 31 March 2015	<u>23,521,839</u>	<u>3,434,193</u>	<u>155,595</u>	<u>27,111,627</u>

M F WELLS (HOTELS) LIMITED (REGISTERED NUMBER: SC090154)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

11. Stocks	2016	2015
	£	£
Bar and catering stock	<u>99,679</u>	<u>96,600</u>
12. Debtors: amounts falling due within one year	2016	2015
	£	£
Trade debtors	73,943	60,321
Amounts owed by group undertakings	69,264	68,686
Other debtors	693,970	35,620
Prepayments	231,734	234,901
	<u>1,068,911</u>	<u>399,528</u>
13. Current asset investments	2016	2015
	£	£
Listed investments	<u>509,968</u>	<u>-</u>
Market value of listed investments at 31 March 2016 - £509,968.		
14. Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	642,727	685,337
Corporation tax	50,423	134,945
Taxation and social security	55,628	141,053
Other creditors	6,360	-
Accruals	155,891	169,773
Deferred income	3,310,108	3,329,297
	<u>4,221,137</u>	<u>4,460,405</u>
15. Creditors: amounts falling due after more than one year	2016	2015
	£	£
Other creditors	326,679	336,679
Directors' loan accounts	55,590	55,590
	<u>382,269</u>	<u>392,269</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

16. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	22,944	22,944
Between one and five years	1,912	24,856
	<u>24,856</u>	<u>47,800</u>

17. Provisions for liabilities

	2016	2015
	£	£
Deferred tax	<u>204,428</u>	<u>202,892</u>

	Deferred tax
	£
Balance at 1 April 2015	202,892
Provided during year	1,536
Balance at 31 March 2016	<u>204,428</u>

Deferred taxation is fully provided at the current rate of corporation tax on the excess of the net book value of those assets qualifying for taxation allowance over their written down values for taxation purposes.

18. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

19. Reserves

	Retained earnings
	£
At 1 April 2015	24,569,260
Profit for the year	921,123
Dividends paid to parent company	(779,141)
At 31 March 2016	<u>24,711,242</u>

Retained earnings represent cumulative profits and losses net of dividends and other adjustments.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

20. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

As permitted by FRS102, transactions between group companies have not been disclosed.

The following related party transactions took place during the year:

Lochs and Glens (Transport) Limited - a company in which directors N Wells, I Wells and their respective wives each own 25% of the issued share capital:

	2016	2015
	£	£
Management charge raised	2,600,000	2,620,000
Tour transport purchased	7,425,241	7,576,634
(Credit)/Debit balance at 31 March	(6,360)	35,620

M Wells
Director

	2016	2015
	£	£
Amount due to related party at the balance sheet date	<u>55,590</u>	<u>55,590</u>

Key management remuneration

Key management remuneration for the year amounted to £434,120 (2015: £417,352).

21. Ultimate controlling party

The controlling party is Wells Hotels Limited.

Directors N Wells and I Wells each own 50% of the share capital of Wells Hotels Limited.

22. Pension scheme

The group operates a money purchased (defined contribution) 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 a contribution payable by the group to the fund and amounted to £72,411 (2015 - £52,775).

23. First year adoption

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was 1 April 2014. There have been no changes to the financial performance or position of the business as a result of complying with the first year adoption of FRS 102.