

Registered number: SC114360

**BALBIRNIE HOUSE HOTEL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

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BALBIRNIE HOUSE HOTEL LIMITED

COMPANY INFORMATION

DIRECTORS	Mr N N Russell Mrs R S Spenke Mrs G Russell Mrs M E Russell (resigned 8 May 2015)
REGISTERED NUMBER	SC114360
REGISTERED OFFICE	Balbirnie House Balbirnie Park Markinch Glenrothes Fife KY7 6NE
INDEPENDENT AUDITORS	EQ Accountants LLP Chartered Accountants Pentland House Saltire Centre Glenrothes Fife KY6 2AH
BANKERS	Clydesdale Bank plc 5 Falkland Gate Glenrothes Fife
SOLICITORS	Shepherd and Wedderburn LLP 1 Exchange Crescent Conference Square Edinburgh EH3 8UL

BALBIRNIE HOUSE HOTEL LIMITED

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BALBIRNIE HOUSE HOTEL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2015

INTRODUCTION

The directors have pleasure in presenting their strategic report for the year ended 30th April 2015.

PRINCIPAL ACTIVITIES AND FAIR REVIEW OF THE BUSINESS

The principal activity of the company during the year was the operation of a country house hotel.

The directors continue to be fully satisfied with the operations of the company. Over the last few years significant re-investment into the fabric of the assets has been enabled to a level which, in percentage terms, is well above industry norms. As a result, the property is presented to an exceptionally high standard. The directors are very happy with these latest accounts, as they deliver a most encouraging set of financial results. Looking ahead, core trade diaries continue to be excellent, and the directors remain fully committed to ensuring this equilibrium is successfully maintained.

PRINCIPAL RISKS AND UNCERTAINTIES

As with other companies operating in the hospitality sector, the directors acknowledge that there are many varied risks which the company faces. The directors acknowledge that the main risks include competition from competitors, maintaining a desire from the public for the use of the hotel and disruption to the supply chain.

The directors mitigate these risks by providing an excellent service to all guests with a reputation, and awards to back up, the second to none facilities which the hotel boasts. As part of the day to day running of the hotel, the directors are always looking at the services on offer and thinking of ways that the hotel can provide that unique service to give them a competitive edge. The directors have strived to build close relationships with all of the suppliers the hotel uses with many of these relationships going back numerous years.

The company's principal financial instruments comprise bank balances, loans to the company and hire purchase/finance lease agreements. The main purpose of these instruments is to finance company operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is detailed below.

In respect of bank balances the liquidity risk is managed by maintaining such flexibility through the use of overdrafts at floating rates of interest.

In respect of loans these comprise loans from the directors and loans from financial institutions. The interest rate on the loans from financial institutions is fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

The loans from the directors are payable on demand. The directors are aware of the company's required finance and have determined that these will only be repaid, in whole or in part, when finance is available.

In respect of hire purchased/finance leased assets, the liquidity risk in respect is managed to ensure sufficient funds are available to meet repayments.

BALBIRNIE HOUSE HOTEL LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 30 APRIL 2015**

SAFETY AND HEALTH, ENVIRONMENT AND QUALITY

The company operates in the hotel industry and aims to provide a first class service to the public. This includes being safety conscious, complying with health and safety regulations and generally demanding high standards. It recognises the importance of, and has policies in place to ensure its environmental, health and safety requirements are met at all times.

This report was approved by the board on 26 January 2016 and signed on its behalf.

Mr N N Russell
Director

A handwritten signature in black ink, appearing to read 'N N Russell', written over the printed name and title.

BALBIRNIE HOUSE HOTEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2015

The directors present their report and the audited financial statements for the year ended 30 April 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 judgments 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.

DIRECTORS

The directors who served during the year were:

Mr N N Russell
Mrs R S Spenke
Mrs G Russell
Mrs M E Russell (resigned 8 May 2015)

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

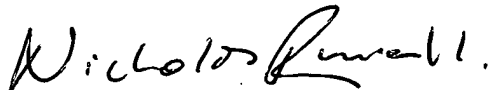
BALBIRNIE HOUSE HOTEL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2015**

AUDITORS

Under section 487(2) of the Companies Act 2006, EQ Accountants LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



Mr N N Russell
Director

Date: 26/11/15

Balbirnie House
Balbirnie Park
Markinch
Glenrothes
Fife
KY7 6NE

BALBIRNIE HOUSE HOTEL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BALBIRNIE HOUSE HOTEL LIMITED

We have audited the financial statements of Balbirnie House Hotel Limited for the year ended 30 April 2015, set out on pages 7 to 19. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, 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 Directors' report 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 30 April 2015 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BALBIRNIE HOUSE HOTEL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BALBIRNIE HOUSE 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.

EQ Accountants LLP

Mark Gibson (Senior statutory auditor)
for and on behalf of

EQ Accountants LLP
Chartered Accountants
Pentland House
Saltire Centre
Glenrothes
Fife
KY6 2AH
Date: 26/01/16

BALBIRNIE HOUSE HOTEL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2015**

	Note	2015 £	2014 £
TURNOVER	1,2	3,295,911	3,141,215
Cost of sales		<u>(710,345)</u>	<u>(689,791)</u>
GROSS PROFIT		2,585,566	2,451,424
Administrative expenses		<u>(2,356,078)</u>	<u>(2,257,358)</u>
OPERATING PROFIT	3	229,488	194,066
EXCEPTIONAL ITEMS			
Other exceptional items	7	<u>-</u>	<u>261,713</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		229,488	455,779
Interest payable and similar charges	6	<u>(145,010)</u>	<u>(163,073)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		84,478	292,706
Tax on profit on ordinary activities	8	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>84,478</u>	<u>292,706</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 10 to 19 form part of these financial statements.

BALBIRNIE HOUSE HOTEL LIMITED
REGISTERED NUMBER: SC114360

BALANCE SHEET
AS AT 30 APRIL 2015

		2015		2014	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		5,915,779		5,950,008
CURRENT ASSETS					
Stocks	10	36,604		32,693	
Debtors	11	138,421		488,222	
Cash at bank and in hand		521,615		275,745	
		<u>696,640</u>		<u>796,660</u>	
CREDITORS: amounts falling due within one year	12	<u>(1,475,574)</u>		<u>(1,228,369)</u>	
NET CURRENT LIABILITIES			<u>(778,934)</u>		<u>(431,709)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,136,845</u>		<u>5,518,299</u>
CREDITORS: amounts falling due after more than one year	13		<u>(2,758,023)</u>		<u>(3,223,955)</u>
NET ASSETS			<u><u>2,378,822</u></u>		<u><u>2,294,344</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		65,004		65,004
Share premium account	15		246,350		246,350
Revaluation reserve	15		3,847,184		3,923,395
Profit and loss account	15		<u>(1,779,716)</u>		<u>(1,940,405)</u>
SHAREHOLDERS' FUNDS	16		<u><u>2,378,822</u></u>		<u><u>2,294,344</u></u>

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

N. N. Russell

Mr N N Russell
 Director

Date: 26/1/16.

The notes on pages 10 to 19 form part of these financial statements.

BALBIRNIE HOUSE HOTEL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	17	680,885	408,077
Returns on investments and servicing of finance	18	(145,010)	(163,073)
Capital expenditure and financial investment	18	(136,401)	(46,247)
CASH INFLOW BEFORE FINANCING		399,474	198,757
Financing	18	(153,604)	(144,057)
INCREASE IN CASH IN THE YEAR		245,870	54,700

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 30 APRIL 2015

	2015 £	2014 £
Increase in cash in the year	245,870	54,700
Cash outflow from decrease in debt and lease financing	153,604	144,057
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	399,474	198,757
Other non-cash changes	-	(1)
MOVEMENT IN NET DEBT IN THE YEAR	399,474	198,756
Net debt at 1 May 2014	(3,125,206)	(3,323,962)
NET DEBT AT 30 APRIL 2015	(2,725,732)	(3,125,206)

The notes on pages 10 to 19 form part of these financial statements.

BALBIRNIE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The company meets its day to day working capital requirements through banking facilities as detailed in the notes to the financial statements.

Included within creditors due within one year are directors' loan balances of £59,373 with Mrs M E Russell and £82,814 with Mr N N Russell and Mrs G Russell.

The results for the year ended 30 April 2015 show an operating profit of £229,488 and a total profit after interest and similar charges of £84,478. Given the level of advance bookings and post balance sheet financial performance the directors consider the company will continue to meet all financial commitments as they fall due.

The directors consider that the company will continue to trade within the available bank facilities and with the support of the directors and have prepared the accounts on a going concern basis.

1.2 Turnover

Turnover represents the invoiced value, net of Value Added Tax, of services provided to customers, those being the provision of accommodation, food, beverages and general hotel facilities.

Wedding deposits are recognised when the wedding service has been delivered and are included within deferred income until such time.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant and machinery	-	20% straight line
Motor vehicles	-	10% straight line
Fixtures and fittings	-	20% straight line
Spa Development	-	Fully amortised in 2011

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

1.4 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 15 November 2012 and will not update that valuation.

BALBIRNIE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES (continued)

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Stocks

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

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.9 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

All turnover arose within the United Kingdom.

BALBIRNIE HOUSE HOTEL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015****3. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	162,175	220,119
- held under finance leases	8,455	1,418
Auditors' remuneration	3,620	9,200
	<u>174,250</u>	<u>230,737</u>

4. STAFF COSTS

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

	2015 £	2014 £
Wages and salaries	1,339,334	1,173,328
Social security costs	84,964	86,300
	<u>1,424,298</u>	<u>1,259,628</u>

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

	2015 No.	2014 No.
Kitchen staff	28	28
Reception and front of house staff	61	60
Management and admin staff	12	12
Housekeeping and maintenance staff	10	10
	<u>111</u>	<u>110</u>

5. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	175,113	166,885
	<u>175,113</u>	<u>166,885</u>

BALBIRNIE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

6. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	137,723	150,471
On other loans	3,940	12,321
On finance leases and hire purchase contracts	3,347	281
	<u>145,010</u>	<u>163,073</u>

7. EXCEPTIONAL ITEMS

	2015 £	2014 £
Exceptional income	-	261,713
	<u>-</u>	<u>261,713</u>

The company received a refund of interest previously charged by its bankers together with a compensatory settlement. This has been disclosed as an exceptional item.

8. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>84,478</u>	<u>292,706</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	16,896	58,541
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	292	453
Capital allowances for year in excess of depreciation	(45,086)	(22,484)
Utilisation of tax losses	739	(65,345)
Short term timing difference leading to an increase (decrease) in taxation	788	2,464
Other differences leading to an increase (decrease) in the tax charge	26,371	26,371
	<u>-</u>	<u>-</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Total losses and other timing differences carried forward amount to £2,341,159 (2014 - £2,558,949). The deferred tax asset of £468,231 (2014 - £511,790) has not been recognised. Should profits be made in future years the tax charge on those profits could be reduced by the unrecognised deferred tax asset.

BALBIRNIE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Spa develop- ment £	Total £
Cost or valuation						
At 1 May 2014	6,592,626	793,641	28,999	1,843,517	776,647	10,035,430
Additions	-	833	28,830	106,738	-	136,401
At 30 April 2015	6,592,626	794,474	57,829	1,950,255	776,647	10,171,831
Depreciation						
At 1 May 2014	787,098	785,480	4,225	1,731,972	776,647	4,085,422
Charge for the year	131,853	3,916	10,555	24,306	-	170,630
At 30 April 2015	918,951	789,396	14,780	1,756,278	776,647	4,256,052
Net book value						
At 30 April 2015	5,673,675	5,078	43,049	193,977	-	5,915,779
At 30 April 2014	5,805,528	8,161	24,774	111,545	-	5,950,008

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	-	2,341
Furniture, fittings and equipment	38,257	17,882
	<u>38,257</u>	<u>20,223</u>

Cost or valuation at 30 April 2015 is as follows:

	Land and buildings £
At cost	6,592,626
At valuation:	
15 November 2012	-
	<u>6,592,626</u>

BALBIRNIE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

9. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £	2014 £
Cost	2,724,644	2,724,644
Accumulated depreciation	(898,153)	(842,511)
Net book value	<u>1,826,491</u>	<u>1,882,133</u>

10. STOCKS

	2015 £	2014 £
Stock	<u>36,604</u>	<u>32,693</u>

11. DEBTORS

	2015 £	2014 £
Trade debtors	19,507	29,410
Other debtors	1,126	347,069
Prepayments and accrued income	117,788	111,743
	<u>138,421</u>	<u>488,222</u>

BALBIRNIE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

12. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Bank loans	480,300	171,995
Net obligations under finance leases and hire purchase contracts	9,024	5,000
Trade creditors	260,678	274,627
Other taxation and social security	140,005	155,183
Other creditors	144,108	143,566
Accruals and deferred income	441,459	477,998
	1,475,574	1,228,369

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015	2014
	£	£
Bank loans	480,300	171,995
Hire purchase contracts	9,024	5,000
	489,324	176,995

13. CREDITORS: Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	2,729,383	3,209,677
Net obligations under finance leases and hire purchase contracts	28,640	14,278
	2,758,023	3,223,955

Included within the above are amounts falling due as follows:

	2015	2014
	£	£
Between one and two years		
Bank loans	160,617	480,294
Between two and five years		
Bank loans	2,568,765	2,729,383

BALBIRNIE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

13. CREDITORS:

Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015	2014
	£	£
Between one and five years	28,640	14,278

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015	2014
	£	£
Bank loans	2,729,383	3,209,677
Hire purchase contracts	28,640	14,278
Total	2,758,023	3,223,955

14. SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
65,004 Ordinary shares shares of £1 each	65,004	65,004

15. RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 May 2014	246,350	3,923,395	(1,940,405)
Profit for the financial year			84,478
Transfer between Revaluation reserve and P/L account		(76,211)	76,211
At 30 April 2015	246,350	3,847,184	(1,779,716)

BALBIRNIE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	2,294,344	2,001,638
Profit for the financial year	84,478	292,706
Closing shareholders' funds	<u>2,378,822</u>	<u>2,294,344</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	229,488	194,066
Exceptional items	-	261,713
Depreciation of tangible fixed assets	170,630	221,537
Increase in stocks	(3,912)	(8,587)
Decrease/(increase) in debtors	349,800	(340,595)
(Decrease)/increase in creditors	(65,121)	79,943
Net cash inflow from operating activities	<u>680,885</u>	<u>408,077</u>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest paid	(141,663)	(162,792)
Hire purchase interest	(3,347)	(281)
Net cash outflow from returns on investments and servicing of finance	<u>(145,010)</u>	<u>(163,073)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(136,401)</u>	<u>(46,247)</u>
Financing		
Repayment of loans	(171,989)	(160,895)
New finance leases	18,385	16,838
Net cash outflow from financing	<u>(153,604)</u>	<u>(144,057)</u>

BALBIRNIE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

19. ANALYSIS OF CHANGES IN NET DEBT

	1 May 2014 £	Cash flow £	Other non-cash changes £	30 April 2015 £
Cash at bank and in hand	275,745	245,870	-	521,615
Debt:				
Finance leases	(19,279)	(18,385)	-	(37,664)
Debts due within one year	(171,995)	171,989	(480,294)	(480,300)
Debts falling due after more than one year	(3,209,677)	-	480,294	(2,729,383)
Net debt	(3,125,206)	399,474	-	(2,725,732)

20. OPERATING LEASE COMMITMENTS

At 30 April 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	-	-	1,210	390
Between 2 and 5 years	-	-	-	4,840

21. RELATED PARTY TRANSACTIONS

No one individual has a controlling interest in the company.

Included within creditors due within one year are directors' loan balances of £59,373 (2014 - £139,373) with Mrs M E Russell and £82,814 (2014 - £3,625) with Mr N N Russell and Mrs G Russell. The directors' loans are repayable on-demand.

22. POST BALANCE SHEET EVENTS

During the year the company obtained clearance from HM Revenue and Customs to purchase 10,329 Ordinary shares of £1 each for a total consideration of £194,000. The purchase was completed in one tranche under a single contract with a payment on 8th May 2015.