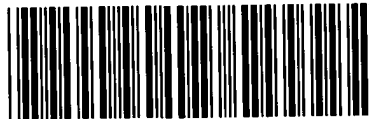


REGISTERED NUMBER: SC333116 (Scotland)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2016
for
WELLS HOTELS LIMITED**

SATURDAY



S5LJC08X

SCT

10/12/2016

#681

COMPANIES HOUSE

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

**Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2016**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Cash Flow Statement	13
Notes to the Consolidated Cash Flow Statement	14
Notes to the Consolidated Financial Statements	15

WELLS HOTELS LIMITED

Company Information for the Year Ended 31 March 2016

Directors:

N Wells
I Wells
M Wells

Registered office:

School Road
Gartocharn
Alexandria
Dunbartonshire
G83 8RW

Registered number:

SC333116 (Scotland)

Auditors:

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

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

Group Strategic Report for the Year Ended 31 March 2016

The directors present their strategic report of the company and the group for the year ended 31 March 2016.

Review of business

The company acts as a holding company and the principal activity of the group during the year continued to be that of proprietor of hotels and tour operator. The group 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)	1,159	1,962
Sales growth (%)	(0.5)	2.1

Turnover

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

Operating costs

Overheads were broadly at the same level as the previous year, and the group continued its policy of maintaining the standards of its hotels with an increased spend on renovations. The group 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 group has no external funding.

Principal risks and uncertainties

The group 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 group will continue with the upgrading of its other properties. The group is in a strong financial position and the directors remain confident that the group can maintain its financial performance.

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

Financial instruments

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

On behalf of the board:

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

N Wells - Director

28 November 2016

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

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

Dividends

The group paid total dividends for year ended 31 March 2016 of £200,000 (£0.07 per ordinary share). No dividends were paid on the preference shares.

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

Disclosure in the strategic report

The group has chosen in accordance with s414C(11) Companies Act 2006 to set out in the group'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 Group 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

**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 group'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 group'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

28 November 2016

Report of the Independent Auditors to the Members of Wells Hotels Limited

We have audited the financial statements of Wells Hotels Limited for the year ended 31 March 2016 on pages eight to twenty four. 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 group's and the parent 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 Group 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 group's and of the parent company's affairs as at 31 March 2016 and of the group's 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 Group 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
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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

28 November 2016

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)**Consolidated 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)	(2,737,280)
Operating profit	4	1,151,157	1,969,335
Interest receivable and similar income		4,122	-
		1,155,279	1,969,335
Movement on investments	5	7,346	-
		1,162,625	1,969,335
Interest payable and similar charges	6	(3,231)	(7,723)
Profit on ordinary activities before taxation		1,159,394	1,961,612
Tax on profit on ordinary activities	7	(239,711)	(378,182)
Profit for the financial year		919,683	1,583,430
Other comprehensive income			
Issue of bonus shares		(2,988,000)	-
Income tax relating to other comprehensive income		-	-
Other comprehensive income For the year, net of income tax		(2,988,000)	-
Total comprehensive income for the year		(2,068,317)	1,583,430
(Loss)/profit attributable to: Owners of the parent		919,683	1,583,430
Total comprehensive income attributable to: Owners of the parent		(2,068,317)	1,583,430

The notes form part of these financial statements

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)**Consolidated Balance Sheet
31 March 2016**

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	26,193,401	27,111,627
Investments	11	-	-
		<u>26,193,401</u>	<u>27,111,627</u>
Current assets			
Stocks	12	99,679	96,600
Debtors	13	999,647	330,842
Investments	14	509,968	-
Cash at bank and in hand		1,698,375	2,067,990
		<u>3,307,669</u>	<u>2,495,432</u>
Creditors			
Amounts falling due within one year	15	(6,117,685)	(6,914,893)
Net current liabilities		<u>(2,810,016)</u>	<u>(4,419,461)</u>
Total assets less current liabilities		<u>23,383,385</u>	<u>22,692,166</u>
Creditors			
Amounts falling due after more than one year	16	(403,069)	(433,069)
Provisions for liabilities	17	<u>(204,428)</u>	<u>(202,892)</u>
Net assets		<u><u>22,775,888</u></u>	<u><u>22,056,205</u></u>
Capital and reserves			
Called up share capital	18	6,500,000	3,512,000
Retained earnings	19	16,275,888	18,544,205
Shareholders' funds		<u><u>22,775,888</u></u>	<u><u>22,056,205</u></u>

The financial statements were approved by the Board of Directors on 28 November 2016 and were signed on its behalf by:



N Wells - Director

The notes form part of these financial statements

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)**Company Balance Sheet
31 March 2016**

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	-	-
Investments	11	17,747,440	17,747,440
		<u>17,747,440</u>	<u>17,747,440</u>
Current assets			
Cash at bank		1,258	919
Creditors			
Amounts falling due within one year	15	(1,965,812)	(2,523,174)
Net current liabilities		<u>(1,964,554)</u>	<u>(2,522,255)</u>
Total assets less current liabilities		15,782,886	15,225,185
Creditors			
Amounts falling due after more than one year	16	(20,800)	(40,800)
Net assets		<u>15,762,086</u>	<u>15,184,385</u>
Capital and reserves			
Called up share capital	18	6,500,000	3,512,000
Share premium	19	5,647,200	5,647,200
Retained earnings	19	3,614,886	6,025,185
Shareholders' funds		<u>15,762,086</u>	<u>15,184,385</u>

The financial statements were approved by the Board of Directors on 28 November 2016 and were signed on its behalf by:



N Wells - Director

The notes form part of these financial statements

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

**Consolidated 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	3,512,000	17,160,775	20,672,775
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	1,583,430	1,583,430
Balance at 31 March 2015	<u>3,512,000</u>	<u>18,544,205</u>	<u>22,056,205</u>
Changes in equity			
Issue of share capital	2,988,000	-	2,988,000
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	(2,068,317)	(2,068,317)
Balance at 31 March 2016	<u>6,500,000</u>	<u>16,275,888</u>	<u>22,775,888</u>

The notes form part of these financial statements

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)**Company Statement of Changes in Equity
for the Year Ended 31 March 2016**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2014	3,512,000	5,354,625	5,647,200	14,513,825
Changes in equity				
Dividends	-	(200,000)	-	(200,000)
Total comprehensive income	-	870,560	-	870,560
Balance at 31 March 2015	<u>3,512,000</u>	<u>6,025,185</u>	<u>5,647,200</u>	<u>15,184,385</u>
Changes in equity				
Issue of share capital	2,988,000	-	-	2,988,000
Dividends	-	(200,000)	-	(200,000)
Total comprehensive income	-	(2,210,299)	-	(2,210,299)
Balance at 31 March 2016	<u><u>6,500,000</u></u>	<u><u>3,614,886</u></u>	<u><u>5,647,200</u></u>	<u><u>15,762,086</u></u>

The notes form part of these financial statements

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

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

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	973,421	2,895,106
Interest paid		(3,231)	(7,723)
Tax paid		(322,697)	(398,000)
Net cash from operating activities		<u>647,493</u>	<u>2,489,383</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			
Amount introduced by directors		221,200	200,000
Amount withdrawn by directors		(747,202)	(872,073)
Equity dividends paid		(200,000)	(200,000)
Net cash from financing activities		<u>(726,002)</u>	<u>(872,073)</u>
(Decrease)/increase in cash and cash equivalents		<u>(369,615)</u>	<u>1,906,886</u>
Cash and cash equivalents at beginning of year	2	2,067,990	161,104
Cash and cash equivalents at end of year	2	<u><u>1,698,375</u></u>	<u><u>2,067,990</u></u>

The notes form part of these financial statements

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

**Notes to the Consolidated 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	1,159,394	1,961,612
Depreciation charges	774,469	842,118
Profit on disposal of fixed assets	-(61,015)	(250,351)
Increase in value of investment	(9,968)	-
Finance costs	3,231	7,723
Finance income	(4,122)	-
	<u>1,861,989</u>	<u>2,561,102</u>
Increase in stocks	(3,079)	(11,708)
(Increase)/decrease in trade and other debtors	(668,805)	113,681
(Decrease)/increase in trade and other creditors	(216,684)	232,031
	<u>973,421</u>	<u>2,895,106</u>
Cash generated from operations		

2. Cash and cash equivalents

The amounts disclosed on the Consolidated 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>1,698,375</u>	<u>2,067,990</u>

Year ended 31 March 2015

	31/3/15	1/4/14
	£	£
Cash and cash equivalents	<u>2,067,990</u>	<u>161,104</u>

The notes form part of these financial statements

**Notes to the Consolidated 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking made up to 31 March 2016. The acquisition method of accounting has been adopted.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

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

1. Accounting policies - continued

Tangible fixed assets

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
Fixtures & equipment 15% reducing balance

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.

Pension costs and other post-retirement benefits

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

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.

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.

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.

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016****2. Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the group.

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
Working directors	2	2
Resident managers	12	12
Administration	20	18
Hotel staff etc.	214	229
	<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>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>
------------------------	----------	----------

5. Movement on investments

	2016	2015
	£	£
(Increase) in value of investment	<u>(7,346)</u>	<u>-</u>

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

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

6. Interest payable and similar charges

	2016	2015
	£	£
Bank interest	1,488	1,091
Other interest	303	5,032
Interest payable	1,440	1,600
	<u>3,231</u>	<u>7,723</u>

7. 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>

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>1,159,394</u>	<u>1,961,612</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	231,879	411,939
Effects of:		
Expenses not deductible for tax purposes	21,199	(12,926)
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>

Tax effects relating to effects of other comprehensive income

	Gross	2016	Net
	£	Tax	£
		£	
Issue of bonus shares	(2,988,000)	-	(2,988,000)
	<u>(2,988,000)</u>	<u>-</u>	<u>(2,988,000)</u>

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

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

8. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £777,701 (2015 - £870,560).

The parent company's profit was the result of a dividend from its subsidiary.

9. Dividends

	2016 £	2015 £
Ordinary shares of £1 each		
Final	<u>200,000</u>	<u>200,000</u>

10. Tangible fixed assets

Group

	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>

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

11. Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 April 2015 and 31 March 2016	17,747,440
Net book value	
At 31 March 2016	17,747,440
At 31 March 2015	17,747,440

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Wells (Hotels) 2008 Limited

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Wells (Hotels) 2008 Limited was dissolved on 7 August 2015.

M F Wells (Hotels) Limited

Nature of business: Hotel proprietor & tour operator

	%
Class of shares:	holding
Ordinary	100.00

	2016 £	2015 £
Aggregate capital and reserves	24,761,242	24,619,260
Profit for the year	921,123	1,515,030

12. Stocks

	Group	
	2016 £	2015 £
Bar and catering stock	99,679	96,600

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

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

13. Debtors: amounts falling due within one year

	Group	
	2016	2015
	£	£
Trade debtors	73,943	60,321
Other debtors	693,970	35,620
Prepayments	231,734	234,901
	<u>999,647</u>	<u>330,842</u>

14. Current asset investments

	Group	
	2016	2015
	£	£
Listed investments	<u>509,968</u>	<u>-</u>

Market value of listed investments held by the group at 31 March 2016 - £509,968.

15. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	642,727	685,337	-	-
Amounts owed to group undertakings	-	-	69,264	68,685
Corporation tax	50,423	134,945	-	-
Taxation and social security	55,628	141,053	-	-
Other creditors	267,303	302,881	260,943	302,882
Directors' current accounts	1,635,605	2,151,607	1,635,605	2,151,607
Accruals	155,891	169,773	-	-
Deferred income	3,310,108	3,329,297	-	-
	<u>6,117,685</u>	<u>6,914,893</u>	<u>1,965,812</u>	<u>2,523,174</u>

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other creditors	337,079	357,079	10,400	20,400
Directors' loan accounts	65,990	75,990	10,400	20,400
	<u>403,069</u>	<u>433,069</u>	<u>20,800</u>	<u>40,800</u>

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

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

17. Provisions for liabilities

	Group	
	2016	2015
	£	£
Deferred tax	<u>204,428</u>	<u>202,892</u>
Group		
		Deferred tax
		£
Balance at 1 April 2015		202,892
Provided during year		<u>1,536</u>
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
			£	£
3,000,000	Ordinary	£1	3,000,000	12,000
3,500,000	Preference	£1	<u>3,500,000</u>	<u>3,500,000</u>
			<u>6,500,000</u>	<u>3,512,000</u>

During the year the company issued £2,988,000 of bonus shares to its directors N Wells and I Wells.

19. Reserves

Group	Retained earnings
	£
At 1 April 2015	18,544,205
Profit for the year	919,683
Dividends	(200,000)
Bonus share issue	<u>(2,988,000)</u>
At 31 March 2016	<u>16,275,888</u>

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

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

19. Reserves - continued

Company

	Retained earnings £	Share premium £	Totals £
At 1 April 2015	6,025,185	5,647,200	11,672,385
Profit for the year	777,701		777,701
Dividends	(200,000)		(200,000)
Bonus share issue	(2,988,000)	-	(2,988,000)
At 31 March 2016	<u>3,614,886</u>	<u>5,647,200</u>	<u>9,262,086</u>

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

20. Related party disclosures

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) balance at 31 March	(94,600)	(52,620)

With directors or shareholders

	M Wells £	N Wells £	I Wells £
Due within one year			
Balance 1 April 2015	616,799	438,460	1,086,348
Introduced in the year	21,200	100,000	100,000
(Repaid) in year	(325,209)	(275,427)	(136,556)
Balance at 31 March 2016	<u>312,790</u>	<u>263,033</u>	<u>1,049,782</u>
Due after one year			
Balance 1 April 2015 and 31 March 2016	<u>55,590</u>	<u>-</u>	<u>-</u>

Loan notes - (held by director M Wells and his wife).

	£
Balance 1 April 2015	60,800
(Repaid) in year	(20,000)
Balance 31 March 2016	<u>40,800</u>

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

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

20. Related party disclosures - continued

With The Wells Grandchildren 2008 Trust

A trust in which trustees are directors of the group

	£
Balance 1 April 2015	204,642
Repaid in year	(41,939)
	<hr/>
Balance 31 March 2016	162,703
	<hr/>

21. Ultimate controlling party

The company is under the control of N Wells & I Wells who each own 50% of the issued share capital.

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).