

REGISTERED NUMBER: SC333116 (Scotland)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2019
for
WELLS HOTELS LIMITED**

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for the Year Ended 31 March 2019**

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WELLS HOTELS LIMITED

**Company Information
for the Year Ended 31 March 2019**

Directors:

N Wells
I Wells
M Wells

Registered office:

School Road
Gartocharn
Alexandria
Dunbartonshire
G83 8RW

Registered number:

SC333116 (Scotland)

Auditors:

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

**Group Strategic Report
for the Year Ended 31 March 2019**

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

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 a coach tour operator arranging tours based around its hotels in Scotland. During the year the group continued to experience strong demand for its tours.

Financial key performance indicators

Financial performance during the year can be analysed as follows:

Financial performance	31 March 2019	31 March 2018
Turnover (£000)	22,079	20,883
Profit before tax (£000)	1,172	1,562

Turnover

The group's level of turnover increased to £22.1m (2018 - £20.9m), a positive result given the competitive nature of the market in which the company operates.

Operating costs

Underlying overheads before repairs were broadly at the same level as the previous year, and the company continued its policy of reinvestment in the hotels to maintain the standard of its properties.

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.

The directors are confident that the company is in a strong position to deal with any challenges arising from Brexit.

Future developments

The directors anticipate the business environment will remain competitive. The group will continue with its ongoing reinvestment in its properties. The group is in a strong financial position and the directors remain confident that the group can maintain its financial performance.

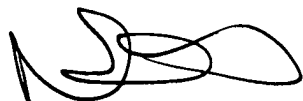
Financial instruments

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.

The group holds significant levels of cash at bank. Interest rate movements may affect the level of income receivable.

The group has funds invested in the stock market which are exposed to fluctuations in share price. Professional investment managers have been appointed to monitor the investments and reduce the risk associated with such investments.

On behalf of the board:



N Wells - Director

7 October 2019

**Report of the Directors
for the Year Ended 31 March 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2019.

Dividends

The group paid total dividends for year ended 31 March 2019 of £500,000, being £0.16 per ordinary share and £0.20 per ordinary A share. No dividend was paid on the preference shares.

Directors

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

N Wells

I Wells

M Wells

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.

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:



N Wells - Director

7 October 2019

Opinion

We have audited the financial statements of Wells Hotels Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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



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

7 October 2019

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

Consolidated Statement of Comprehensive Income
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
Turnover	3	22,078,941	20,882,610
Cost of sales		17,032,228	16,284,361
Gross profit		5,046,713	4,598,249
Administrative expenses		3,949,619	3,055,414
Operating profit	5	1,097,094	1,542,835
Interest receivable and similar income	6	75,163	25,056
		1,172,257	1,567,891
Interest payable and similar expenses	7	451	6,205
Profit before taxation		1,171,806	1,561,686
Tax on profit	8	251,359	297,561
Profit for the financial year		920,447	1,264,125
Other comprehensive income		-	-
Total comprehensive income for the year		920,447	1,264,125
Profit attributable to: Owners of the parent		920,447	1,264,125
Total comprehensive income attributable to: Owners of the parent		920,447	1,264,125

The notes form part of these financial statements

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

Consolidated Balance Sheet
31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	11	23,805,392	24,081,090
Investments	12	-	-
Investment property	13	203,598	-
		<u>24,008,990</u>	<u>24,081,090</u>
Current assets			
Stocks	14	83,461	79,052
Debtors	15	892,331	438,214
Investments	16	3,053,481	-
Cash at bank and in hand		2,492,378	5,673,601
		<u>6,521,651</u>	<u>6,190,867</u>
Creditors			
Amounts falling due within one year	17	(5,596,503)	(5,762,071)
Net current assets		<u>925,148</u>	<u>428,796</u>
Total assets less current liabilities		<u>24,934,138</u>	<u>24,509,886</u>
Creditors			
Amounts falling due after more than one year	18	(3,500,000)	(3,500,000)
Provisions for liabilities	21	(186,273)	(182,468)
Net assets		<u>21,247,865</u>	<u>20,827,418</u>
Capital and reserves			
Called up share capital	22	3,001,250	3,001,250
Share premium	23	2,750	2,750
Retained earnings	23	18,243,865	17,823,418
Shareholders' funds		<u>21,247,865</u>	<u>20,827,418</u>

The financial statements were approved by the Board of Directors on 7 October 2019 and were signed on its behalf by:



N Wells - Director

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

Company Balance Sheet
31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	11	-	-
Investments	12	17,747,440	17,747,440
Investment property	13	-	-
		<u>17,747,440</u>	<u>17,747,440</u>
Current assets			
Cash at bank		862	892
Creditors			
Amounts falling due within one year	17	(793,312)	(818,038)
Net current liabilities		<u>(792,450)</u>	<u>(817,146)</u>
Total assets less current liabilities		16,954,990	16,930,294
Creditors			
Amounts falling due after more than one year	18	(3,500,000)	(3,500,000)
Net assets		<u>13,454,990</u>	<u>13,430,294</u>
Capital and reserves			
Called up share capital	22	3,001,250	3,001,250
Share premium	23	5,649,950	5,649,950
Retained earnings	23	4,803,790	4,779,094
Shareholders' funds		<u>13,454,990</u>	<u>13,430,294</u>
Company's profit for the financial year		<u>524,696</u>	<u>606,696</u>

The financial statements were approved by the Board of Directors on 7 October 2019 and were signed on its behalf by:



N Wells - Director

WELLS HOTELS LIMITED (REGISTERED NUMBER: SC333116)

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2017	3,001,250	17,054,293	2,750	20,058,293
Changes in equity				
Dividends	-	(495,000)	-	(495,000)
Total comprehensive income	-	1,264,125	-	1,264,125
Balance at 31 March 2018	3,001,250	17,823,418	2,750	20,827,418
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	920,447	-	920,447
Balance at 31 March 2019	3,001,250	18,243,865	2,750	21,247,865

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 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2017	3,001,250	4,667,398	5,649,950	13,318,598
Changes in equity				
Dividends	-	(495,000)	-	(495,000)
Total comprehensive income	-	606,696	-	606,696
Balance at 31 March 2018	<u>3,001,250</u>	<u>4,779,094</u>	<u>5,649,950</u>	<u>13,430,294</u>
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	524,696	-	524,696
Balance at 31 March 2019	<u>3,001,250</u>	<u>4,803,790</u>	<u>5,649,950</u>	<u>13,454,990</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 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	1,205,769	3,298,910
Interest paid		(451)	(6,205)
Tax paid		(242,779)	(299,255)
Net cash from operating activities		<u>962,539</u>	<u>2,993,450</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(519,184)	(343,734)
Purchase of investment property		(203,598)	-
Sale of tangible fixed assets		84,468	412,440
Purchase of investment		(3,908,768)	(2,287,653)
Sales of investments		870,629	3,942,757
Interest received		41,440	33,040
Dividends received		18,382	32,297
Net cash from investing activities		<u>(3,616,631)</u>	<u>1,789,147</u>
Cash flows from financing activities			
Loan repayments in year		(24,696)	(67,422)
Amount introduced by directors		475,000	496,200
Amount withdrawn by directors		(477,435)	(550,612)
Equity dividends paid		(500,000)	(495,000)
Net cash from financing activities		<u>(527,131)</u>	<u>(616,834)</u>
(Decrease)/increase in cash and cash equivalents		<u>(3,181,223)</u>	<u>4,165,763</u>
Cash and cash equivalents at beginning of year	2	5,673,601	1,507,838
Cash and cash equivalents at end of year	2	<u><u>2,492,378</u></u>	<u><u>5,673,601</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2019**

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

	2019	2018
	£	£
Profit before taxation	1,171,806	1,561,686
Depreciation charges	710,413	779,446
Profit on disposal of fixed assets	-	(188,903)
Finance costs	451	6,205
Finance income	(75,163)	(25,056)
	<u>1,807,507</u>	<u>2,133,378</u>
(Increase)/decrease in stocks	(4,409)	5,637
(Increase)/decrease in trade and other debtors	(454,117)	276,338
(Decrease)/increase in trade and other creditors	(143,212)	883,557
	<u>1,205,769</u>	<u>3,298,910</u>
Cash generated from operations	<u>1,205,769</u>	<u>3,298,910</u>

2. Cash and cash equivalents

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

Year ended 31 March 2019

	31/3/19	1/4/18
	£	£
Cash and cash equivalents	<u>2,492,378</u>	<u>5,673,601</u>

Year ended 31 March 2018

	31/3/18	1/4/17
	£	£
Cash and cash equivalents	<u>5,673,601</u>	<u>1,507,838</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2019**

1. Statutory information

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

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

2. 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, modified to include certain financial instruments at fair value.

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 2017. 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 tour holidays, which includes accommodation, coach tours, food and beverages, to customers. Sales are recognised as the services are provided 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 2019

2. Accounting policies - continued

Tangible fixed assets

All fixed assets are initially recorded at cost. Expenditure is capitalised as a fixed asset where it represents either a new asset or an enhancement to an existing asset.

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

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Bank and cash

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Taxation

Current taxation represents the amount of taxation 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 taxation rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Deferred taxation is measured using the taxation 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 company operates money purchase (defined contribution) pension scheme. Contributions are charged against profits on the amounts payable for the year.

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 Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

2. Accounting policies - continued

Investments

The investment in the subsidiary is recognised at cost.

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.

3. Turnover

The total turnover of the group for the year £22,078,941 (2018: £20,882,610) has been derived from its principal activity of hotels and tours wholly undertaken in the United Kingdom.

4. Employees and directors

	2019	2018
	£	£
Wages and salaries	4,444,068	4,220,386
Social security costs	337,318	313,013
Other pension costs	112,450	69,359
	<u>4,893,836</u>	<u>4,602,758</u>

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

	2019	2018
Working directors	2	2
Resident managers	10	11
Administration	31	30
Hotel staff etc.	193	191
	<u>236</u>	<u>234</u>

	2019	2018
	£	£
Directors' remuneration	198,605	201,375
Directors' pension contributions to money purchase schemes	<u>30,000</u>	<u>10,000</u>

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

	2019	2018
Money purchase schemes	<u>2</u>	<u>1</u>

5. Operating profit

	2019	2018
	£	£
Depreciation - owned assets	710,413	779,446
(Profit)/loss on disposal of fixed assets	-	(188,903)
Auditors' remuneration	<u>12,500</u>	<u>12,000</u>

6. Interest receivable and similar income

	2019	2018
	£	£
Investment income	59,822	65,337
Gains on investments sold	(8,968)	101,150
(Decrease)/increase in investments	<u>24,309</u>	<u>(141,431)</u>
	<u>75,163</u>	<u>25,056</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

7. Interest payable and similar expenses

	2019 £	2018 £
Bank interest	451	5,705
Interest payable	-	500
	<u>451</u>	<u>6,205</u>

8. Taxation

Analysis of the tax charge

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

	2019 £	2018 £
Current tax:		
UK corporation tax	247,554	302,872
Deferred tax	3,805	(5,311)
Tax on profit	<u>251,359</u>	<u>297,561</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:

	2019 £	2018 £
Profit before tax	<u>1,171,806</u>	<u>1,561,686</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	222,643	296,720
Effects of:		
Expenses not deductible for tax purposes	35,121	35,216
Income not taxable for tax purposes	(6,405)	(34,375)
Total tax charge	<u>251,359</u>	<u>297,561</u>

9. Individual statement of comprehensive income

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.

10. Dividends

	2019 £	2018 £
Ordinary shares of £1 each		
Final	475,000	475,000
Ordinary A shares of £0.01 each		
Final	25,000	20,000
	<u>500,000</u>	<u>495,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

11. Tangible fixed assets

Group	Freehold property £	Fixtures & equipment £	Motor vehicles £	Totals £
Cost				
At 1 April 2018	24,686,000	7,421,971	337,036	32,445,007
Additions	50,116	252,810	216,258	519,184
Disposals	-	-	(187,959)	(187,959)
At 31 March 2019	24,736,116	7,674,781	365,335	32,776,232
Depreciation				
At 1 April 2018	3,247,998	4,966,579	149,341	8,363,918
Charge for year	184,849	459,881	65,683	710,413
Written back on disposals	-	-	(103,491)	(103,491)
At 31 March 2019	3,432,847	5,426,460	111,533	8,970,840
Net book value				
At 31 March 2019	21,303,269	2,248,321	253,802	23,805,392
At 31 March 2018	21,438,002	2,455,392	187,695	24,081,089

12. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 April 2018 and 31 March 2019	17,747,440
Net book value	
At 31 March 2019	17,747,440
At 31 March 2018	17,747,440

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

Subsidiary**M F Wells (Hotels) Limited**

Registered office: School Road, Gartocharn, G83 8RW.

Nature of business: Hotel proprietor & tour operator

Class of shares:	% holding	2019 £	2018 £
Ordinary	100.00		
Aggregate capital and reserves		25,540,315	25,144,564
Profit for the year		920,447	1,264,625

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

13. Investment property

Group	Total £
Fair value	
Additions	203,598
At 31 March 2019	203,598
Net book value	
At 31 March 2019	203,598

Investment property was purchased in the year at a cost of £203,598. In the opinion of the directors its value has not changed.

14. Stocks

	Group	
	2019 £	2018 £
Bar and catering stock	83,461	79,052

15. Debtors: amounts falling due within one year

	Group	
	2019 £	2018 £
Trade debtors	458	790
Other debtors	652,248	150,548
Prepayments	239,625	286,876
	892,331	438,214

16. Current asset investments

	Group	
	2019 £	2018 £
Listed investments	3,053,481	-

Market value of listed investments held by the group at 31 March 2019 - £3,053,481.

17. Creditors: amounts falling due within one year

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	850,543	826,546	-	-
Amounts owed to group undertakings	-	-	65,168	65,198
Corporation tax	247,554	242,779	-	-
Taxation and social security	71,745	83,381	-	-
Other creditors	157,323	262,169	157,323	182,019
Directors' current accounts	601,091	603,526	570,821	570,821
Accruals	98,828	146,721	-	-
Deferred income	3,569,419	3,596,949	-	-
	5,596,503	5,762,071	793,312	818,038

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

17. Creditors: amounts falling due within one year - continued

The directors' loan accounts are unsecured, interest free and carry no schedule of repayment.

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Preference shares (see note 19)	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>

The directors' loans are unsecured, interest free and carry no schedule of repayment. The directors have advised that they will not seek repayment of their loan balances falling due after more than one year within a year of the balance sheet date.

19. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due between one and two years:				
Preference shares	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>

The preference shares are held by a director and are unsecured, interest free and carry no schedule of repayment. The preference shares are repayable at six months notice and the director has advised that he will not seek repayment of his preference shares within one year of the balance sheet date.

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
3,500,000	Preference shares	£1	<u>3,500,000</u>	<u>3,500,000</u>

20. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	21,739	1,912
Between one and five years	86,956	-
In more than five years	45,307	-
	<u>154,002</u>	<u>1,912</u>

21. Provisions for liabilities

	Group	
	2019	2018
	£	£
Deferred tax	<u>186,273</u>	<u>182,468</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

21. Provisions for liabilities - continued

Group	Deferred tax £
Balance at 1 April 2018	182,468
Charge to Statement of Comprehensive Income during year	3,805
Balance at 31 March 2019	<u>186,273</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.

22. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £	2019 £	2018 £
3,000,000	Ordinary	£1	3,000,000	3,000,000
125,000	Ordinary A	£0.01	1,250	1,250
			<u>3,001,250</u>	<u>3,001,250</u>

The ordinary shares have full voting rights, are entitled to dividends, are non-redeemable and rank after the preference shares in the event of a cessation.

The A ordinary shares have no voting rights, are entitled to dividends, are non-redeemable and rank after the preference shares in the event of a cessation.

23. Reserves

Group	Retained earnings £	Share premium £	Totals £
At 1 April 2018	17,823,418	2,750	17,826,168
Profit for the year	920,447		920,447
Dividends	(500,000)		(500,000)
At 31 March 2019	<u>18,243,865</u>	<u>2,750</u>	<u>18,246,615</u>

Company	Retained earnings £	Share premium £	Totals £
At 1 April 2018	4,779,094	5,649,950	10,429,044
Profit for the year	524,696		524,696
Dividends	(500,000)		(500,000)
At 31 March 2019	<u>4,803,790</u>	<u>5,649,950</u>	<u>10,453,740</u>

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

Share premium is the excess amount received by the company over the par value of its shares.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

24. Related party disclosures

The following related party transactions took place during the year with Lochs and Glens (Transport) Limited, a company under common control:

	2019 £	2018 £
Management charge raised	2,315,138	2,107,168
Tour transport purchased	6,867,850	6,536,067
Debit/(Credit) balance at 31 March	539,858	(80,150)

Key management personnel remuneration in the year totalled £693,469 (2018: £668,052).

Loans received from directors

	Total £
Balances due 31 March 2018	603,526
Introduced in year	475,000
Repaid in year	(477,435)
Balances due 31 March 2019	601,091

Loan received from a trust in which the directors are trustees

	Total £
Balance due 31 March 2018	93,779
Repaid in year	(24,696)
Balance due 31 March 2019	69,083

25. Ultimate controlling party

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

26. 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 £112,450 (2018: £69,359).