

**WARM WELCOME MANAGEMENT LIMITED**

**ANNUAL REPORT  
YEAR ENDED 30 APRIL 2013**

**Company Registration Number 1913114**

WEDNESDAY



\*A2K2R7L6\*

A36

30/10/2013

#78

COMPANIES HOUSE

# **WARM WELCOME MANAGEMENT LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2013**

| <b>CONTENTS</b>                                      | <b>PAGES</b>    |
|--|-----------------|
| Officers and professional advisers                   | <b>1</b>        |
| The directors' report                                | <b>2</b>        |
| Statement of directors' responsibilities             | <b>3</b>        |
| Independent auditor's report to the shareholders     | <b>4 to 5</b>   |
| Group Profit and loss account                        | <b>6 to 7</b>   |
| Group statement of total recognised gains and losses | <b>8</b>        |
| Note of historical cost profits and losses           | <b>8</b>        |
| Group balance sheet                                  | <b>9</b>        |
| Company Balance sheet                                | <b>10</b>       |
| Group cash flow statement                            | <b>11</b>       |
| Notes to the financial statements                    | <b>12 to 29</b> |

# **WARM WELCOME MANAGEMENT LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **The board of directors**

P G Davies  
P B M Cliff

### **Company secretary**

S L Secretaries Limited

### **Auditor**

Francis Clark LLP  
Chartered Accountants  
& Statutory Auditor  
Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
TQ2 7FF

### **Bankers**

Lloyds TSB Bank Plc  
51-52 Fleet Street  
Torquay  
Devon  
TQ2 5DW

# WARM WELCOME MANAGEMENT LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2013

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 April 2013

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year was that of providers of hotel accommodation, publishing services and brewing

The Group has enjoyed an increase in turnover this year generated by growth in its publishing business. Resultant profits are satisfactory despite the bad weather affecting the hotels' results.

In relation to the group's most significant activity, hotel accommodation, the tourist industry is constantly evolving and the major threats are from changing visitor requirements and the growth of new destinations, particularly overseas.

The group's strategy to combat these threats is to continue to develop the quality and range of its facilities and to cater for a wide range of different markets.

Given the straight forward nature of the business, the directors are of the opinion that analysis of key performance indicators is not necessary for an understanding of the business.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £149,869. Particulars of dividends paid are detailed in note 10 to the financial statements.

### DIRECTORS

The directors who served the company during the year were as follows:

P G Davies

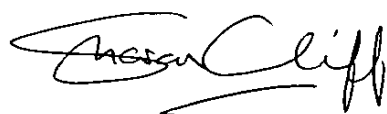
P B M Cliff

### GOING CONCERN

The group meets its day to day working capital requirements through overdraft facilities, which are repayable on demand, and long term bank loans.

The directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Signed by order of the directors



For and on behalf of

**S L SECRETARIES LIMITED**

S L Secretaries Limited

Company Secretary

Approved on 24th October 2013

# **WARM WELCOME MANAGEMENT LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 30 APRIL 2013**

The directors are responsible for preparing 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 the group and of the profit or loss of the group for that year.

In preparing those 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# **WARM WELCOME MANAGEMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WARM WELCOME MANAGEMENT LIMITED**

**YEAR ENDED 30 APRIL 2013**

We have audited the group and parent company financial statements ("the financial statements") of Warm Welcome Management Limited for the year ended 30 April 2013 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Statement and the related notes. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 (APB'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 annual report to identify material inconsistencies with the audited financial statements. 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 parent company's affairs as at 30 April 2013 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

# WARM WELCOME MANAGEMENT LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WARM WELCOME MANAGEMENT LIMITED (*continued*)

YEAR ENDED 30 APRIL 2013

### 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



RICHARD HUSSEY (Senior Statutory Auditor)  
For and on behalf of  
FRANCIS CLARK LLP  
Chartered Accountants & Statutory Auditor

Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
TQ2 7FF

25 October 2013

# WARM WELCOME MANAGEMENT LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2013

|   | Note | 2013<br>£             | 2012<br>£             |
|---|------|-----------------------|-----------------------|
| <b>Turnover</b>   | 2    | 4,331,288             | 4,199,112             |
| Cost of sales   |      | (1,597,003)           | (1,517,787)           |
| <b>Gross profit</b>   |      | <u>2,734,285</u>      | <u>2,681,325</u>      |
| Administrative expenses                                     |      | (2,558,211)           | (2,493,675)           |
| Other operating income                                      | 3    | 31,600                | 43,613                |
| <b>Operating profit</b>                                     | 4    | <u>207,674</u>        | <u>231,263</u>        |
| Attributable to   |      |                       |                       |
| Operating profit before exceptional items                   |      | 207,674               | 261,658               |
| Exceptional items   | 4    | –                     | (30,395)              |
|   |      | <u>207,674</u>        | <u>231,263</u>        |
| Share of associate operating profit                         |      | 71,806                | 86,749                |
| <b>TOTAL OPERATING PROFIT GROUP AND SHARE OF ASSOCIATES</b> |      | <u>279,480</u>        | <u>318,012</u>        |
| (Loss)/profit on disposal of investments                    |      | (42)                  | 1,491                 |
|   |      | <u>279,438</u>        | <u>319,503</u>        |
| Interest receivable   |      | 3,866                 | 17,756                |
| Interest payable and similar charges                        | 7    | (21,937)              | (25,316)              |
| Share of interest payable, associate                        |      | (2,168)               | (4,091)               |
| <b>Profit on ordinary activities before taxation</b>        |      | <u>259,199</u>        | <u>307,852</u>        |
| Tax on profit on ordinary activities                        | 8    | (58,250)              | (98,342)              |
| <b>Profit on ordinary activities after taxation</b>         |      | <u>200,949</u>        | <u>209,510</u>        |
| Minority interests  |      | (51,080)              | (18,968)              |
| <b>Profit attributable to members of the parent company</b> | 9    | <u>149,869</u>        | <u>190,542</u>        |
| <b>Profit for the financial year</b>                        |      | <u><u>149,869</u></u> | <u><u>190,542</u></u> |

The notes on pages 12 to 29 form part of these financial statements.



---

**WARM WELCOME MANAGEMENT LIMITED**

**GROUP PROFIT AND LOSS ACCOUNT** *(continued)*

**YEAR ENDED 30 APRIL 2013**

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

**The notes on pages 12 to 29 form part of these financial statements.**

# WARM WELCOME MANAGEMENT LIMITED

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 APRIL 2013

|  | 2013<br>£          | 2012<br>£      |
|--|--------------------|----------------|
| Profit for the financial year excluding share of profit of associate | 95,756             | 125,931        |
| Share of associate profit for the year                               | 54,113             | 64,611         |
| Profit attributable to shareholders of the parent company            | <u>149,869</u>     | <u>190,542</u> |
| Unrealised loss on revaluation of certain fixed assets               | (1,246,012)        | –              |
|  | <u>(1,096,143)</u> | <u>190,542</u> |
| Total recognised gains and losses relating to the year               | <u>(1,096,143)</u> | <u>190,542</u> |
| Prior year adjustment  | –                  | (92,738)       |
| Total gains and losses recognised since the last annual report       | <u>(1,096,143)</u> | <u>97,804</u>  |

### NOTE OF HISTORICAL COST PROFITS AND LOSSES

|  | 2013<br>£      | 2012<br>£      |
|--|----------------|----------------|
| Reported profit on ordinary activities before taxation   | 259,199        | 307,852        |
| Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount | 36,722         | 36,722         |
| Historical cost profit on ordinary activities before taxation  | <u>295,921</u> | <u>344,574</u> |
| Historical cost profit for the year after taxation and minority interests  | <u>186,591</u> | <u>227,264</u> |

The notes on pages 12 to 29 form part of these financial statements

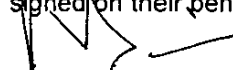
# WARM WELCOME MANAGEMENT LIMITED

## GROUP BALANCE SHEET

30 APRIL 2013

|  | Note | £       | 2013<br>£        | 2012<br>£        |
|--|------|---------|------------------|------------------|
| <b>Fixed assets</b>  |      |         |                  |                  |
| Intangible assets  | 11   |         | 2,532            | —                |
| Tangible assets  | 12   |         | 4,504,237        | 5,801,889        |
| Investments  | 13   |         |                  |                  |
| Investments in associates                                      |      | 348,256 |                  | 313,743          |
| Other investments  |      | 275,333 |                  | 283,721          |
|  |      |         | 623,589          | 597,464          |
|  |      |         | <u>5,130,358</u> | <u>6,399,353</u> |
| <b>Current assets</b>  |      |         |                  |                  |
| Stocks and work in progress                                    | 14   | 118,997 |                  | 128,629          |
| Debtors  | 15   | 336,186 |                  | 610,157          |
| Investments  | 16   | 3,162   |                  | 3,162            |
| Cash at bank and in hand                                       |      | 338,250 |                  | 314,680          |
|  |      | 796,595 |                  | 1,056,628        |
| <b>Creditors. Amounts falling due within one year</b>          | 17   | 905,370 |                  | 1,086,773        |
| <b>Net current liabilities</b>                                 |      |         | (108,775)        | (30,145)         |
| <b>Total assets less current liabilities</b>                   |      |         | <u>5,021,583</u> | <u>6,369,208</u> |
| <b>Creditors: Amounts falling due after more than one year</b> | 18   |         | 840,606          | 969,667          |
| <b>Provisions for liabilities</b>                              |      |         |                  |                  |
| Deferred taxation  | 20   |         | 58,717           | 62,217           |
|  |      |         | 4,122,260        | 5,337,324        |
| <b>Minority interests</b>                                      |      |         | 107,681          | 106,602          |
|  |      |         | <u>4,014,579</u> | <u>5,230,722</u> |
| <b>Capital and reserves</b>                                    |      |         |                  |                  |
| Called-up equity share capital                                 | 24   |         | 107              | 107              |
| Share premium account  | 25   |         | 121,873          | 121,873          |
| Revaluation reserve  | 25   |         | 2,027,459        | 3,310,942        |
| Profit and loss account  | 25   |         | 1,865,140        | 1,797,800        |
| <b>Shareholders' funds</b>                                     | 26   |         | <u>4,014,579</u> | <u>5,230,722</u> |

These financial statements were approved by the directors and authorised for issue on 24/10/13, and are signed on their behalf by

  
P G Davies

The notes on pages 12 to 29 form part of these financial statements

# WARM WELCOME MANAGEMENT LIMITED

## COMPANY BALANCE SHEET

30 APRIL 2013

|  | Note | £       | 2013<br>£        | 2012<br>£        |
|--|------|---------|------------------|------------------|
| <b>Fixed assets</b>  |      |         |                  |                  |
| Tangible assets  | 12   |         | 103,606          | 103,586          |
| Investments  | 13   |         | 2,150,467        | 1,984,953        |
|  |      |         | <u>2,254,073</u> | <u>2,088,539</u> |
| <b>Current assets</b>  |      |         |                  |                  |
| Stocks and work in progress                                    | 14   | 78,017  |                  | 82,551           |
| Debtors  | 15   | 13,856  |                  | 274,779          |
| Investments  | 16   | 3,162   |                  | 3,162            |
| Cash at bank   |      | 24,142  |                  | —                |
|  |      | 119,177 |                  | 360,492          |
| <b>Creditors' Amounts falling due within one year</b>          | 17   | 188,513 |                  | 406,512          |
| <b>Net current liabilities</b>                                 |      |         | (69,336)         | (46,020)         |
| <b>Total assets less current liabilities</b>                   |      |         | <u>2,184,737</u> | <u>2,042,519</u> |
| <b>Creditors' Amounts falling due after more than one year</b> | 18   |         | 225,761          | 252,076          |
| <b>Provisions for liabilities</b>                              |      |         |                  |                  |
| Deferred taxation  | 20   |         | 717              | 717              |
|  |      |         | <u>1,958,259</u> | <u>1,789,726</u> |
| <b>Capital and reserves</b>                                    |      |         |                  |                  |
| Called-up equity share capital                                 | 24   |         | 107              | 107              |
| Share premium account  | 25   |         | 121,873          | 121,873          |
| Revaluation reserve  | 25   |         | 28,963           | 28,963           |
| Profit and loss account  | 25   |         | 1,807,316        | 1,638,783        |
| <b>Shareholders' funds</b>                                     |      |         | <u>1,958,259</u> | <u>1,789,726</u> |

These financial statements were approved by the directors and authorised for issue on 24/10/13, and are signed on their behalf by

  
P G Davies

Company Registration Number 1913114

The notes on pages 12 to 29 form part of these financial statements.

# **WARM WELCOME MANAGEMENT LIMITED**

## **GROUP CASH FLOW STATEMENT**

**YEAR ENDED 30 APRIL 2013**

|  |             | <b>2013</b>      | <b>2012</b>      |
|--|-------------|------------------|------------------|
|  | <b>Note</b> | <b>£</b>         | <b>£</b>         |
| <b>Net cash inflow from operating activities</b>       | <b>27</b>   | <b>513,430</b>   | <b>187,080</b>   |
| <b>Dividend received from associate</b>                |             | <b>19,600</b>    | <b>39,200</b>    |
| <b>Returns on investments and servicing of finance</b> | <b>27</b>   | <b>(68,071)</b>  | <b>(17,594)</b>  |
| <b>Taxation</b>  | <b>27</b>   | <b>(62,725)</b>  | <b>(73,422)</b>  |
| <b>Capital expenditure and financial investment</b>    | <b>27</b>   | <b>(72,757)</b>  | <b>354,056</b>   |
| <b>Equity dividends paid</b>                           |             | <b>(120,000)</b> | <b>(87,800)</b>  |
| <b>Cash inflow before financing</b>                    |             | <b>209,477</b>   | <b>401,520</b>   |
| <b>Financing</b>                                       | <b>27</b>   | <b>(168,721)</b> | <b>(174,016)</b> |
| <b>Increase in cash</b>                                | <b>27</b>   | <b>40,756</b>    | <b>227,504</b>   |

**The notes on pages 12 to 29 form part of these financial statements.**

# **WARM WELCOME MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2013**

### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings, together with the group's share of the net assets and results of associated undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of twenty years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Negative goodwill arising on acquisition is held on the Balance Sheet during the year in which it arises and written back in the Profit and Loss Account in the subsequent accounting period.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

|                   |  |
|-------------------|--|
| Goodwill          | - 10% per annum on a straight line basis |
| Titles & Archives | - 20% per annum on a straight line basis |

#### **Fixed assets**

All fixed assets are initially recorded at cost. Properties are stated at valuations on the basis of fully-equipped operational properties, having regard to their trading potential.

The company's trading properties are shown at their market values in 2012 or 2013, with subsequent additions at cost.

# **WARM WELCOME MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2013**

### **1. Accounting policies (continued)**

#### **Depreciation**

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

|                     |  |
|---------------------|--|
| Leasehold Property  | - over the term of the lease                       |
| Plant & Machinery   | - 15% to 25% per annum on a reducing balance basis |
| Fixtures & Fittings | - 15% to 25% per annum on a reducing balance basis |
| Motor Vehicles      | - 25% per annum on a reducing balance basis        |
| Equipment           | - 25% per annum on a reducing balance basis        |

No depreciation is provided on freehold land and buildings, as the directors consider that the residual value of these properties is such that depreciation would be immaterial. The company has a policy and practice of regular maintenance and repair (charges for which are recognised in the profit and loss account) such that these assets are kept to their previously assessed standard of performance.

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.

#### **Investment properties**

Investment property is included in the balance sheet at open market value and no provision is made for depreciation. This is in accordance with Statement of Standard Accounting Practice 19, Accounting for Investment Properties (SSAP 19). The property valuation is reviewed annually and the change in market value, if any, is taken to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view.

#### **Stocks**

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

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 1. Accounting policies *(continued)*

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based upon tax rates and laws enacted or substantially enacted at the balance sheet date.

#### 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 group after deducting all of its liabilities.

### 2. Turnover

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

An analysis of turnover is given below:

|                | 2013<br>£        | 2012<br>£        |
|----------------|------------------|------------------|
| United Kingdom | <u>4,331,288</u> | <u>4,199,112</u> |

### 3. Other operating income

|                 | 2013<br>£     | 2012<br>£     |
|-----------------|---------------|---------------|
| Rent receivable | <u>31,600</u> | <u>43,613</u> |

### 4. Operating profit

Operating profit is stated after charging:

|  | 2013<br>£ | 2012<br>£ |
|--|-----------|-----------|
| Amortisation of intangible assets                          | 632       | (8,566)   |
| Depreciation of owned fixed assets                         | 122,235   | 119,522   |
| Depreciation of assets held under hire purchase agreements | 5,732     | 6,742     |
| Loss on disposal of fixed assets                           | 1,612     | 24,092    |
| Auditor's remuneration                                     |           |           |
| - audit fees   | 12,225    | 14,075    |
| - accountancy fees   | 21,635    | 44,450    |
| Operating lease costs                                      |           |           |
| - Other  | 13,715    | 26,465    |



# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 4. Operating profit *(continued)*

|                     | 2013     | 2012          |
|---------------------|----------|---------------|
|                     | £        | £             |
| Revaluation deficit | <u>-</u> | <u>30,395</u> |

### 5. Particulars of employees

The average number of staff employed by the group during the financial year amounted to

|                                | 2013      | 2012      |
|--------------------------------|-----------|-----------|
|                                | No        | No        |
| Number of production staff     | 80        | 81        |
| Number of administrative staff | 2         | 2         |
| Number of management staff     | 2         | 2         |
|                                | <u>84</u> | <u>85</u> |

The aggregate payroll costs of the above were

|                       | 2013             | 2012             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,174,486        | 1,131,679        |
| Social security costs | 82,851           | 75,200           |
|                       | <u>1,257,337</u> | <u>1,206,879</u> |

### 6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

|                         | 2013          | 2012         |
|-------------------------|---------------|--------------|
|                         | £             | £            |
| Remuneration receivable | <u>24,000</u> | <u>9,492</u> |

### 7. Interest payable and similar charges

|                                    | 2013          | 2012          |
|------------------------------------|---------------|---------------|
|                                    | £             | £             |
| Interest payable on bank borrowing | 19,489        | 18,812        |
| Finance charges                    | 1,353         | -             |
| Other similar charges payable      | 1,095         | 6,504         |
|                                    | <u>21,937</u> | <u>25,316</u> |

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 8. Taxation on ordinary activities

#### (a) Analysis of charge in the year

|   | 2013<br>£     | 2012<br>£     |
|---|---------------|---------------|
| Current tax   |               |               |
| In respect of the year  |               |               |
| UK Corporation tax based on the results for the year at 23 92% (2012 - 28%) | 59,000        | 75,500        |
| Over/under provision in prior year  | (12,775)      | (578)         |
|   | <u>46,225</u> | <u>74,922</u> |
| Share of associate taxation charge  | 15,525        | 18,047        |
| Total current tax   | <u>61,750</u> | <u>92,969</u> |
| Deferred tax  |               |               |
| Origination and reversal of timing differences                              | (3,500)       | 5,373         |
| Tax on profit on ordinary activities  | <u>58,250</u> | <u>98,342</u> |

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23 92% (2012 - 28%)

|   | 2013<br>£      | 2012<br>£      |
|---|----------------|----------------|
| Profit on ordinary activities before taxation | <u>259,199</u> | <u>307,852</u> |
| Profit on ordinary activities by rate of tax  | 62,000         | 86,199         |
| Franked investment income                     | (140)          | (164)          |
| Marginal relief                               | (1,450)        | (18,446)       |
| Capital allowances in excess of depreciation  | -              | (3,750)        |
| Depreciation in excess of capital allowances  | 25,878         | 17,248         |
| Expenses not deductible for tax purposes      | 41             | 9,768          |
| Over provision in prior year                  | (12,775)       | (578)          |
| Rate difference                               | (8,414)        | -              |
| Sundry tax adjusting items                    | (3,390)        | 2,692          |
| Total current tax (note 8(a))                 | <u>61,750</u>  | <u>92,969</u>  |

### 9 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £288,533 (2012 - £127,207)

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 10. Dividends

#### Equity dividends

|                                     | 2013<br>£      | 2012<br>£     |
|-------------------------------------|----------------|---------------|
| Paid                                |                |               |
| Equity dividends on ordinary shares | <u>120,000</u> | <u>87,800</u> |

Mr P G Davies, director, and his wife received £102,000 (2012 £74,630) and Mr P B M Cliff, director, and his wife received £18,000 (2012 £13,170)

### 11. Intangible fixed assets

| Group                   | Goodwill<br>£ | Titles and<br>Archives<br>£ | Total<br>£    |
|-------------------------|---------------|-----------------------------|---------------|
| <b>Cost</b>             |               |                             |               |
| At 1 May 2012           | 52,034        | 6,050                       | 58,084        |
| Additions               | —             | 3,164                       | 3,164         |
| <b>At 30 April 2013</b> | <u>52,034</u> | <u>9,214</u>                | <u>61,248</u> |
| <b>Amortisation</b>     |               |                             |               |
| At 1 May 2012           | 52,034        | 6,050                       | 58,084        |
| Charge for the year     | —             | 632                         | 632           |
| <b>At 30 April 2013</b> | <u>52,034</u> | <u>6,682</u>                | <u>58,716</u> |
| <b>Net book value</b>   |               |                             |               |
| <b>At 30 April 2013</b> | <u>—</u>      | <u>2,532</u>                | <u>2,532</u>  |
| At 30 April 2012        | <u>—</u>      | <u>—</u>                    | <u>—</u>      |

Goodwill comprises both positive and negative values

Positive goodwill with a cost of £66,650 has been fully written down

Negative goodwill with a cost of £(14,616) has been fully written down

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 12 Tangible fixed assets

| Group                     | Freehold &<br>Leasehold<br>Property<br>£ | Plant &<br>Machinery<br>£ | Fixtures &<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Equipment<br>£ | Total<br>£       |
|---------------------------|--|---------------------------|-----------------------------|------------------------|----------------|------------------|
| <b>Cost or valuation</b>  |  |                           |                             |                        |                |                  |
| At 1 May 2012             | 5,651,001                                | 44,505                    | 1,518,392                   | 7,500                  | 6,726          | 7,228,124        |
| Additions                 | 12,880                                   | 1,883                     | 60,386                      | —                      | 14,290         | 89,439           |
| Disposals                 | —  | (13,112)                  | —                           | —                      | —              | (13,112)         |
| Revaluation               | (1,530,704)                              | —                         | —                           | —                      | —              | (1,530,704)      |
| <b>At 30 Apr 2013</b>     | <b>4,133,177</b>                         | <b>33,276</b>             | <b>1,578,778</b>            | <b>7,500</b>           | <b>21,016</b>  | <b>5,773,747</b> |
| <b>Depreciation</b>       |  |                           |                             |                        |                |                  |
| At 1 May 2012             | 227,736                                  | 13,949                    | 1,178,131                   | 3,750                  | 2,669          | 1,426,235        |
| Charge for the year       | 56,956                                   | 3,093                     | 60,394                      | 938                    | 6,586          | 127,967          |
| Revaluation<br>adjustment | (284,692)                                | —                         | —                           | —                      | —              | (284,692)        |
| <b>At 30 Apr 2013</b>     | <b>—</b>                                 | <b>17,042</b>             | <b>1,238,525</b>            | <b>4,688</b>           | <b>9,255</b>   | <b>1,269,510</b> |
| <b>Net book value</b>     |  |                           |                             |                        |                |                  |
| <b>At 30 Apr 2013</b>     | <b>4,133,177</b>                         | <b>16,234</b>             | <b>340,253</b>              | <b>2,812</b>           | <b>11,761</b>  | <b>4,504,237</b> |
| At 30 Apr 2012            | 5,423,265                                | 30,556                    | 340,261                     | 3,750                  | 4,057          | 5,801,889        |

The Group's freehold and long leasehold hotels were revalued on an open market, existing use basis on 30 April 2013 by Jones Lang Lasalle, Exeter. Jones Lang Lasalle are professional valuers, external to the Group.

The other trading freehold property of the Group was revalued on an open market, existing use basis on 27 June 2012 by Portman Consulting, Property Consultants, external to the Group.

Leasehold property includes a short leasehold investment property at a directors' valuation. The directors have valued the property on an open market basis at £100,000.

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 12 Tangible fixed assets (continued)

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

|  | NBV of<br>revalued<br>freehold<br>property<br>£ | NBV of<br>revalued<br>leasehold<br>property<br>£ | Total<br>£       |
|--|---|--|------------------|
| <b>Net book value at end of year</b>                 | <b>1,912,844</b>                                | <b>2,220,333</b>                                 | <b>4,133,177</b> |
| <b>Historical cost</b>                               |   |  |                  |
| At 1 May 2012  | 1,250,707                                       | 1,392,590  | 2,643,297        |
| Cost of additions to revalued assets brought forward | 11,808  | 1,072  | 12,880           |
| At 30 Apr 2013                                       | 1,262,515                                       | 1,393,662  | 2,656,177        |
| <b>Depreciation:</b>                                 |   |  |                  |
| At 1 May 2012  | 118,131   | 412,094  | 530,225          |
| Charge for year                                      | -   | 20,234   | 20,234           |
| At 30 Apr 2013                                       | 118,131   | 432,328  | 550,459          |
| <b>Net historical cost value:</b>                    |   |  |                  |
| At 30 Apr 2013                                       | 1,144,384                                       | 961,334  | 2,105,718        |
| At 1 May 2012  | 1,132,576                                       | 980,496  | 2,113,072        |

### Hire purchase agreements

Included within the net book value of £4,504,237 is £32,478 (2012 - £38,210) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £5,732 (2012 - £6,742)

| Company                  | Leasehold<br>Property<br>£ | Fixtures &<br>Fittings<br>£ | Total<br>£ |
|--------------------------|----------------------------|-----------------------------|------------|
| <b>Cost or valuation</b> |                            |                             |            |
| At 1 May 2012            | 100,000                    | 26,961                      | 126,961    |
| Additions                | -                          | 558                         | 558        |
| At 30 April 2013         | 100,000                    | 27,519                      | 127,519    |
| <b>Depreciation</b>      |                            |                             |            |
| At 1 May 2012            | -                          | 23,375                      | 23,375     |
| Charge for the year      | -                          | 538                         | 538        |
| At 30 April 2013         | -                          | 23,913                      | 23,913     |
| <b>Net book value</b>    |                            |                             |            |
| At 30 April 2013         | 100,000                    | 3,606                       | 103,606    |
| At 30 April 2012         | 100,000                    | 3,586                       | 103,586    |

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 12 Tangible fixed assets *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

|                                      | 2013                  | 2012<br>£             |
|--------------------------------------|-----------------------|-----------------------|
| <b>Net book value at end of year</b> | <b><u>100,000</u></b> | <b><u>100,000</u></b> |
| <b>Historical cost</b>               | <b><u>102,937</u></b> | <b><u>102,937</u></b> |
| <b>Depreciation:</b>                 |                       |                       |
| At 1 May 2012                        | <u>31,900</u>         | <u>31,900</u>         |
| At 30 April 2013                     | <u>31,900</u>         | <u>31,900</u>         |
| <b>Net historical cost value:</b>    |                       |                       |
| At 30 April 2013                     | <u>71,037</u>         | <u>71,037</u>         |
| At 1 May 2012                        | <u>71,037</u>         | <u>71,037</u>         |

### 13. Investments

| Group                           | Participating<br>interests | Other<br>investments |                |
|---------------------------------|----------------------------|----------------------|----------------|
|                                 | £                          | £                    | £              |
| <b>Shares</b>                   |                            |                      |                |
| <b>Cost</b>                     |                            |                      |                |
| At 1 May 2012                   | 116                        | 265,731              | 265,847        |
| Disposals                       | (42)                       | -                    | (42)           |
| At 30 April 2013                | <u>74</u>                  | <u>265,731</u>       | <u>265,805</u> |
| <b>Amounts written off</b>      |                            |                      |                |
| At 1 May 2012 and 30 April 2013 | -                          | 73,543               | 73,543         |
| <b>Loans</b>                    |                            |                      |                |
| At 1 May 2012                   | 91,417                     | -                    | 91,417         |
| Advanced in year                | 72,663                     | -                    | 72,663         |
| Repaid in year                  | (81,009)                   | -                    | (81,009)       |
| At 30 April 2013                | <u>83,071</u>              | <u>-</u>             | <u>83,071</u>  |
| <b>Net book value</b>           |                            |                      |                |
| At 30 April 2013                | <u>83,145</u>              | <u>192,188</u>       | <u>275,333</u> |
| At 30 April 2012                | <u>91,533</u>              | <u>192,188</u>       | <u>283,721</u> |

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 13 Investments (continued)

|  | 2013<br>£ | 2012<br>£ |
|--|-----------|-----------|
| <b>Investment in associate</b>           |           |           |
| <b>Share of Dartmoor Brewery Limited</b> |           |           |
| Turnover                                 | 1,145,512 | 853,637   |
| Profit before tax                        | 69,638    | 82,658    |
| Tax                                      | (15,525)  | (18,047)  |
| Profit after tax                         | 54,113    | 64,611    |
| Fixed assets                             | 600,570   | 621,434   |
| Current assets                           | 252,818   | 194,259   |
| Liabilities due within one year          | (317,301) | (285,777) |
| Liabilities due after one year           | (187,831) | (216,173) |
| Share of net assets                      | 348,256   | 313,743   |

| Company                         | Group<br>companies<br>£ | Associated<br>companies &<br>participating<br>interests<br>£ | Other<br>£ | Other<br>£ |
|---------------------------------|-------------------------|--|------------|------------|
| <b>Shares</b>                   |                         |  |            |            |
| <b>Cost</b>                     |                         |  |            |            |
| At 1 May 2012                   | 156,662                 | 116  | 265,731    | 422,509    |
| Disposals                       | -                       | (42)   | -          | (42)       |
| At 30 April 2013                | 156,662                 | 74   | 265,731    | 422,467    |
| <b>Amounts written off</b>      |                         |  |            |            |
| At 1 May 2012 and 30 April 2013 | -                       | -  | 73,543     | 73,543     |
| <b>Loans</b>                    |                         |  |            |            |
| At 1 May 2012                   | 1,544,570               | 91,417   | -          | 1,635,987  |
| Advanced in year                | 319,669                 | 72,663   | -          | 392,332    |
| Repaid in year                  | (145,767)               | (81,009)   | -          | (226,776)  |
| At 30 April 2013                | 1,718,472               | 83,071   | -          | 1,801,543  |
| <b>Net book value</b>           |                         |  |            |            |
| At 30 April 2013                | 1,875,134               | 83,145   | 192,188    | 2,150,467  |
| At 30 April 2012                | 1,701,232               | 91,533   | 192,188    | 1,984,953  |

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 13. Investments (continued)

#### Subsidiary Companies

The company owns

|  |      |   |
|--|------|---|
| Warm Welcome Hotels (Southern) Limited | 100% | Operates the Bedford and Two Bridges Hotels |
| Anglo American Media Limited           | 75%  | Magazine publishers                         |
| Knaphill Print Company Limited         | 75%  | Provides printing services                  |
| Greengage Business Parks Limited       | 100% | Dormant                                     |

Anglo American Media Limited owns 100% of the issued share capital of Woking News & Mail Limited, a newspaper publisher

#### Associated Companies

The company owns

|                          |     |  |
|--------------------------|-----|--|
| Dartmoor Brewery Limited | 49% | Brewing ale of quality and distinction |
|--------------------------|-----|--|

#### Participating Interests

The company owns

|                               |       |                 |
|-------------------------------|-------|-----------------|
| Cultureshock Holdings Limited | 22.5% | Holding company |
|-------------------------------|-------|-----------------|

At 30 April 2013 (and 30 April 2012) Cultureshock Holdings Limited had aggregate capital and reserves of £30,120. It did not trade during the year ended 30 April 2013.

#### Other investments

This is an investment in a listed company, which is shown at cost less amounts written off. At 30 April 2013 the market value of this investment was £103,000. The directors believe that the diminution in value is not permanent and that a provision is therefore not necessary. Since the balance sheet date the market value has increased.

### 14. Stocks

|                  | 2013           | Group<br>2012  | 2013          | Company<br>2012 |
|------------------|----------------|----------------|---------------|-----------------|
|                  | £              | £              | £             | £               |
| Consumables      | 31,300         | 38,516         | —             | —               |
| Raw materials    | 9,680          | 7,562          | —             | —               |
| Work in progress | 78,017         | 82,551         | 78,017        | 82,551          |
|                  | <u>118,997</u> | <u>128,629</u> | <u>78,017</u> | <u>82,551</u>   |

### 15. Debtors

|                                | 2013           | Group<br>2012  | 2013          | Company<br>2012 |
|--------------------------------|----------------|----------------|---------------|-----------------|
|                                | £              | £              | £             | £               |
| Trade debtors                  | 303,907        | 307,589        | 2,938         | 2,938           |
| Other debtors                  | 4,501          | 274,011        | 4,251         | 266,841         |
| Prepayments and accrued income | 27,778         | 28,557         | 6,667         | 5,000           |
|                                | <u>336,186</u> | <u>610,157</u> | <u>13,856</u> | <u>274,779</u>  |



# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 16 Investments

|                   | 2013         | Group        | 2013         | Company      |
|-------------------|--------------|--------------|--------------|--------------|
|                   | £            | 2012         | £            | 2012         |
|                   | £            | £            | £            | £            |
| Other investments | <u>3,162</u> | <u>3,162</u> | <u>3,162</u> | <u>3,162</u> |

#### Listed investments

Investments having a net book value of £3,162 (2012 - £3,162) are listed on a recognised stock exchange and had a market value of £1,440 at the end of the year (2012 - £1,698)

### 17 Creditors: Amounts falling due within one year

|  | 2013           | Group            | 2013           | Company        |
|--|----------------|------------------|----------------|----------------|
|  | £              | 2012             | £              | 2012           |
|  | £              | £                | £              | £              |
| Bank loans and overdrafts                              | 146,061        | 202,907          | 27,692         | 34,146         |
| Payments received on account                           | 226,102        | 276,927          | —              | —              |
| Trade creditors  | 216,193        | 264,289          | —              | 13,140         |
| Amounts owed to group undertakings                     | —              | —                | 112,002        | 310,000        |
| Hire purchase agreements                               | 13,486         | 13,486           | —              | —              |
| Directors' loan accounts                               | 10,769         | 15,878           | 6,888          | 10,122         |
| Other creditors including taxation and social security | —              | —                | —              | —              |
| Corporation tax  | 59,000         | 75,500           | 12,000         | 12,000         |
| Other taxation and social security                     | 125,955        | 110,664          | 12,874         | 11,210         |
| Other creditors  | 50,493         | 54,558           | 17,057         | 15,894         |
| Accruals and deferred income                           | 57,311         | 72,564           | —              | —              |
|  | <u>905,370</u> | <u>1,086,773</u> | <u>188,513</u> | <u>406,512</u> |

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

|                           | 2013           | Group          | 2013          | Company       |
|---------------------------|----------------|----------------|---------------|---------------|
|                           | £              | 2012           | £             | 2012          |
|                           | £              | £              | £             | £             |
| Bank loans and overdrafts | 146,061        | 202,907        | 27,692        | 34,146        |
| Hire purchase agreements  | 13,486         | 13,486         | —             | —             |
|                           | <u>159,547</u> | <u>216,393</u> | <u>27,692</u> | <u>34,146</u> |

The company's bank borrowings are secured by a charge over the leasehold property, a debenture over the assets of the company and cross guarantees by group companies

### 18 Creditors: Amounts falling due after more than one year

|                           | 2013           | Group          | 2013           | Company        |
|---------------------------|----------------|----------------|----------------|----------------|
|                           | £              | 2012           | £              | 2012           |
|                           | £              | £              | £              | £              |
| Bank loans and overdrafts | 827,120        | 942,696        | 225,761        | 252,076        |
| Hire purchase agreements  | 13,486         | 26,971         | —              | —              |
|                           | <u>840,606</u> | <u>969,667</u> | <u>225,761</u> | <u>252,076</u> |

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 18. Creditors: Amounts falling due after more than one year *(continued)*

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

|                           | 2013           | Group          | 2013           | Company        |
|---------------------------|----------------|----------------|----------------|----------------|
|                           | £              | 2012           | £              | 2012           |
|                           | £              | £              | £              | £              |
| Bank loans and overdrafts | 827,120        | 942,696        | 225,761        | 252,076        |
| Hire purchase agreements  | 13,486         | 26,971         | -              | -              |
|                           | <u>840,606</u> | <u>969,667</u> | <u>225,761</u> | <u>252,076</u> |

The company's bank borrowings are secured by a charge over the leasehold property, a debenture over the assets of the company and cross guarantees by group companies

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

|                           | 2013    | Group   | 2013    | Company |
|---------------------------|---------|---------|---------|---------|
|                           | £       | 2012    | £       | 2012    |
|                           | £       | £       | £       | £       |
| Bank loans and overdrafts | 475,642 | 491,306 | 114,992 | 141,306 |

The company has one bank loan

A loan of £253,453 (originally £360,000 in February 2007) repayable in one hundred and fifty six consecutive monthly instalments (which commenced in March 2009), which carry interest at 1 25% over base rate

The company's subsidiary, Warm Welcome Hotels (Southern) Limited, has two bank loans

A loan of £30,000 (originally £310,000 in August 2009), repayable in five consecutive annual instalments (which commenced in November 2009), which carries interest at 1 25% over base rate and,

A loan of £550,000 (originally £650,000 in May 2008), repayable in twelve consecutive annual instalments (which commenced September 2011), which carries interest at 1 25% over base rate

The company's subsidiary Knaphill Print Company Limited has a mortgage of £110,621, repayable in monthly instalments. The loan is due for repayment in February 2024 and carries interest at 3 75% over base rate

### 19. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

|                                      | 2013          | Group         | 2013     | Company  |
|--------------------------------------|---------------|---------------|----------|----------|
|                                      | £             | 2012          | £        | 2012     |
|                                      | £             | £             | £        | £        |
| Amounts payable within 1 year        | 13,486        | 13,486        | -        | -        |
| Amounts payable between 2 to 5 years | 13,486        | 26,971        | -        | -        |
|                                      | <u>26,972</u> | <u>40,457</u> | <u>-</u> | <u>-</u> |

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 20. Deferred taxation

The movement in the deferred taxation provision during the year was

|                                  | <b>Group</b>         |                      | <b>Company</b>    |                   |
|----------------------------------|----------------------|----------------------|-------------------|-------------------|
|                                  | <b>2013</b>          | <b>2012</b>          | <b>2013</b>       | <b>2012</b>       |
|                                  | <b>£</b>             | <b>£</b>             | <b>£</b>          | <b>£</b>          |
| Provision brought forward        | <b>62,217</b>        | 56,844               | <b>717</b>        | 844               |
| (Decrease)/Increase in provision | <b>(3,500)</b>       | 5,373                | -                 | (127)             |
| Provision carried forward        | <b><u>58,717</u></b> | <b><u>62,217</u></b> | <b><u>717</u></b> | <b><u>717</u></b> |

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

| <b>Group</b>  | <b>2013</b>          |                   | <b>2012</b>          |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | <b>Provided</b>      | <b>Unprovided</b> | <b>Provided</b>      | <b>Unprovided</b> |
|   | <b>£</b>             | <b>£</b>          | <b>£</b>             | <b>£</b>          |
| Excess of taxation allowances over depreciation on fixed assets | <b><u>58,717</u></b> | <b><u>-</u></b>   | <b><u>62,217</u></b> | <b><u>-</u></b>   |

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

| <b>Company</b>  | <b>2013</b>       |                   | <b>2012</b>       |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <b>Provided</b>   | <b>Unprovided</b> | <b>Provided</b>   | <b>Unprovided</b> |
|   | <b>£</b>          | <b>£</b>          | <b>£</b>          | <b>£</b>          |
| Excess of taxation allowances over depreciation on fixed assets | <b><u>717</u></b> | <b><u>-</u></b>   | <b><u>717</u></b> | <b><u>-</u></b>   |

### 21. Other provisions

If the freehold and leasehold properties were sold at market value there would be a tax liability of approximately £200,000. No provision has been made for this potential liability in these accounts.

### 22. Contingencies

The company has guaranteed the bank facilities of its subsidiary Warm Welcome Hotels (Southern) Limited. The contingent liability arising from these guarantees at 30 April 2013 amounted to £609,107 (30 April 2012: £739,839). The directors consider that Warm Welcome Hotels (Southern) Limited will continue to trade within the terms of its facilities and that the guarantee is highly unlikely to be called in.

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 23 Related party transactions

The group was controlled throughout the current and previous year by one of its directors, Mr P G Davies, by virtue of his holding in its ordinary share capital

During the year S L Secretaries Limited, a company controlled by Mrs S Cliff, the wife of the company director Mr P B M Cliff, invoiced group companies a total of £22,500 (2012 - £22,500) in respect of company secretarial fees

During last year the parent company loaned £262,000 to Mrs N Nicol, the daughter of a director Interest was charged on this amount and the loan was repaid in its entirety during this year

The shop premises occupied by the subsidiary company, Knaphill Print Company Limited, are owned by Mr J E Davies the brother of a director During the year the subsidiary paid rent for these premises to Mr J E Davies of £12,000 (2012 - £12,000)

During the year the company made loans of £37,070 to Mr P G Davies, and these were repaid during the year At the end of the year the company owed Mr P G Davies £7,611 (2012 £10,112)

During the year the company made advances of £733 to Mr P B M Cliff At 30 April 2013 Mr P B M Cliff owed the company £723 (2012 - £10 Cr)

These loans were interest-free and repayable on demand

### 24. Share capital

Allotted, called up and fully paid:

|                               | 2013          |            | 2012          |            |
|-------------------------------|---------------|------------|---------------|------------|
|                               | No            | £          | No            | £          |
| Ordinary shares of £0.01 each | <u>10,666</u> | <u>107</u> | <u>10,666</u> | <u>107</u> |

### 25. Reserves

| Group                                  | Share premium account | Revaluation reserve | Profit and loss account |
|--|-----------------------|---------------------|-------------------------|
|  | £                     | £                   | £                       |
| Balance brought forward                | 121,873               | 3,310,942           | 1,797,800               |
| Profit for the year                    | —                     | —                   | 149,869                 |
| Equity dividends                       | —                     | —                   | (120,000)               |
| Other gains and losses                 |                       |                     |                         |
| - Revaluation of fixed assets          | —                     | (1,246,012)         | —                       |
| Other movements                        |                       |                     |                         |
| - transfer to/from revaluation reserve | —                     | (37,471)            | 37,471                  |
| Balance carried forward                | <u>121,873</u>        | <u>2,027,459</u>    | <u>1,865,140</u>        |
| Company                                | Share premium account | Revaluation reserve | Profit and loss account |
|  | £                     | £                   | £                       |
| Balance brought forward                | 121,873               | 28,963              | 1,638,783               |
| Profit for the year                    | —                     | —                   | 288,533                 |
| Equity dividends                       | —                     | —                   | (120,000)               |
| Balance carried forward                | <u>121,873</u>        | <u>28,963</u>       | <u>1,807,316</u>        |

The group and the company revaluation reserve include £28,963 in respect of investment property

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 26. Reconciliation of movements in shareholders' funds

|   | 2013<br>£        | 2012<br>£        |
|---|------------------|------------------|
| Profit for the financial year                   | 149,869          | 190,542          |
| Other net recognised gains and losses           | (1,246,012)      | –                |
| Equity dividends                                | (120,000)        | (87,800)         |
| Net (reduction)/addition to shareholders' funds | (1,216,143)      | 102,742          |
| Opening shareholders' funds                     | 5,230,722        | 5,220,718        |
| Prior year adjustment                           | –                | (92,738)         |
| Closing shareholders' funds                     | <u>4,014,579</u> | <u>5,230,722</u> |

### 27 Notes to the cash flow statement

#### Reconciliation of operating profit to net cash inflow from operating activities

|   | 2013<br>£      | 2012<br>£      |
|---|----------------|----------------|
| Operating profit                          | 207,674        | 231,263        |
| Amortisation                              | 632            | (8,566)        |
| Depreciation                              | 127,967        | 126,264        |
| Revaluation deficit                       | –              | 30,395         |
| Loss on disposal of fixed assets          | 1,612          | 24,092         |
| Decrease in stocks                        | 9,632          | 6,304          |
| Decrease/(increase) in debtors            | 273,971        | (337,136)      |
| (Decrease)/increase in creditors          | (108,058)      | 114,464        |
| Net cash inflow from operating activities | <u>513,430</u> | <u>187,080</u> |

#### Returns on investments and servicing of finance

|   | 2013<br>£       | 2012<br>£       |
|---|-----------------|-----------------|
| Interest received   | 3,866           | 7,722           |
| Interest paid   | (20,584)        | (25,316)        |
| Interest element of hire purchase                                     | (1,353)         | –               |
| Dividends paid to minority shareholders in a subsidiary undertaking   | (50,000)        | –               |
| Net cash outflow from returns on investments and servicing of finance | <u>(68,071)</u> | <u>(17,594)</u> |

#### Taxation

|          | 2013<br>£       | 2012<br>£       |
|----------|-----------------|-----------------|
| Taxation | <u>(62,725)</u> | <u>(73,422)</u> |

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 27 Notes to the cash flow statement *(continued)*

#### Capital expenditure and financial investment

|  | 2013<br>£       | 2012<br>£      |
|--|-----------------|----------------|
| Payments to acquire intangible fixed assets                                | (3,164)         | (6,050)        |
| Payments to acquire tangible fixed assets                                  | (89,439)        | (55,065)       |
| Receipts from sale of fixed assets   | 11,500          | 3,900          |
| Disposal of current asset investments                                      | –               | 12,400         |
| Loans to participating interests   | (72,663)        | (90,636)       |
| Repayment of loans by participating interests                              | 81,009          | 489,507        |
| Net cash (outflow)/inflow for capital expenditure and financial investment | <u>(72,757)</u> | <u>354,056</u> |

#### Financing

|                                  | 2013<br>£        | 2012<br>£        |
|----------------------------------|------------------|------------------|
| Repayment of bank loans          | (155,236)        | (174,016)        |
| Capital element of hire purchase | (13,485)         | –                |
| Net cash outflow from financing  | <u>(168,721)</u> | <u>(174,016)</u> |

#### Reconciliation of net cash flow to movement in net debt

|  | £             | 2013<br>£        | 2012<br>£        |
|--|---------------|------------------|------------------|
| Increase in cash in the period               | 40,756        |                  | 227,504          |
| Net cash outflow from bank loans             | 155,236       |                  | 174,016          |
| Cash outflow in respect of hire purchase     | <u>13,485</u> |                  | –                |
| Change in net debt resulting from cash flows |               | 209,477          | 401,520          |
| New hire purchase agreements                 |               | –                | (40,457)         |
| Movement in net debt in the period           |               | <u>209,477</u>   | <u>361,063</u>   |
| Net debt at 1 May 2012                       |               | (871,380)        | (1,232,443)      |
| Net debt at 30 April 2013                    |               | <u>(661,903)</u> | <u>(871,380)</u> |

# WARM WELCOME MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2013

### 27. Notes to the cash flow statement *(continued)*

#### Analysis of changes in net debt

|                          | At<br>1 May 2012<br>£ | Cash flows<br>£ | At<br>30 Apr 2013<br>£ |
|--------------------------|-----------------------|-----------------|------------------------|
| Net cash                 |                       |                 |                        |
| Cash in hand and at bank | 314,680               | 23,570          | 338,250                |
| Overdrafts               | (46,293)              | 17,186          | (29,107)               |
|                          | <u>268,387</u>        | <u>40,756</u>   | <u>309,143</u>         |
| Debt                     |                       |                 |                        |
| Debt due within 1 year   | (156,614)             | 39,660          | (116,954)              |
| Debt due after 1 year    | (942,696)             | 115,576         | (827,120)              |
| Hire purchase agreements | (40,457)              | 13,485          | (26,972)               |
|                          | <u>(1,139,767)</u>    | <u>168,721</u>  | <u>(971,046)</u>       |
| Net debt                 | <u>(871,380)</u>      | <u>209,477</u>  | <u>(661,903)</u>       |