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**ABACUS HOTELS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 March 2014**



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**ABACUS HOTELS LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	TF Franke MJ Halls HJ Darking RC Wyllie
<b>COMPANY SECRETARY</b>	MJ Halls
<b>REGISTERED NUMBER</b>	03101431
<b>REGISTERED OFFICE</b>	White Lion House 20 Station Street Swaffham Norfolk PE37 7LH
<b>INDEPENDENT AUDITORS</b>	MA Partners LLP Chartered Accountants & Statutory Auditors 7 The Close Norwich Norfolk NR1 4DJ

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**ABACUS HOTELS LIMITED**

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## ABACUS HOTELS LIMITED

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### DIRECTORS' REPORT for the year ended 31 March 2014

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The directors present their report and the financial statements for the year ended 31 March 2014.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### RESULTS

The profit for the year, after taxation, amounted to £401,269 (2013 - loss £32,800).

#### DIRECTORS

The directors who served during the year are listed on the company information page.

#### FUTURE DEVELOPMENTS

To cater for increasing demand the Huntly restaurant at Orton Hall will be extended and work has started on an extension to the reception lounge area which will give a new focus to the public areas and help satisfy the increased demand for casual dining.

Survey work has been completed on the Spa development at the Le Strange Arms, prior to making a full planning application. The scope of the project has been revised to provide a market leading Spa facility. In parallel to the re-development and extension of the existing Boat House as a Spa, a number of the Garden Lodges, for which we already have planning permission, will be built.

Capital investment project opportunities continue to be reviewed in the context of changes in demand in the markets we trade in.

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## **ABACUS HOTELS LIMITED**

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### **DIRECTORS' REPORT** for the year ended 31 March 2014

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#### **EMPLOYEES**

We have maintained our commitment to employee involvement throughout the business. Staff are kept well informed of the performance and objectives of the company through personal briefings and regular meetings.

It is our policy that people with disabilities should have full and fair consideration for all vacancies, and that staff who become disabled during employment will be retrained wherever possible.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

#### **AUDITORS**

The auditors, MA Partners LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 September 2014 and signed on its behalf.



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**HJ Darking**  
Director

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## **ABACUS HOTELS LIMITED**

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### **STRATEGIC REPORT for the year ended 31 March 2014**

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#### **BUSINESS REVIEW**

Our policy of on-going reinvestment in the properties continued during the year with expenditure and scope remaining broadly constant. This policy is in no small measure responsible for the level of demand we enjoy in our various market sectors and the positive feedback we receive through guest questionnaires and social media postings.

During the year we extended one of the dining area in the Ancient Mariner at the Le Strange Arms. The increased facility has unlocked some event dining that we were previously unable to cater for and added to the overall internal dining capacity which is so valuable during the inclement winter months and any inclement summer period.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The risks and uncertainties facing the business are similar to those faced by businesses in general and the hospitality industry in particular. Whilst there were some signs of more confidence in the wider economy during the period there was little evidence of sustained increased demand and clients remained price sensitive.

The company pays interest at a rate linked to LIBOR and it is therefore exposed to fluctuations in this rate.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

On a company wide basis an increase in revenues of 6.6% was recorded.

A pre-tax profit of £401,340 was recorded, a welcome reversal of the pre-tax loss of £32,800 recorded in the previous financial year. Maximisation of sales opportunities and focussed cost control, including a further year's pay freeze combined to produce the improved result.

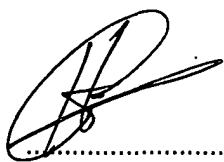
The level of borrowing was reduced during the year as a result of capital repayments with the attendant reduction in debt service costs. The first charge borrowing interest rate remains linked to LIBOR.

During the year there was a net increase in cash balances of £236,234.

#### **OTHER KEY PERFORMANCE INDICATORS**

Overall room occupancy increased by 1.1% however average room rate increased by 4.6% and revenue per available room increased by 6.1%. While the level of demand did not increase greatly some increase in pricing was achieved. Corporate and leisure business bookings both continue to be on a very short lead time. There was some evidence of increased demand for leisure dining but the sector is weather dependant, particularly at the Le Strange Arms. Conference and banqueting revenues showed a slight increase but there was little evidence of the return of strong meeting and conference demand.

This report was approved by the board on 18 September 2014 and signed on its behalf.



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**HJ Darking**  
**Director**

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## ABACUS HOTELS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABACUS HOTELS LIMITED

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We have audited the financial statements of Abacus Hotels Limited for the year ended 31 March 2014, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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ABACUS HOTELS LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABACUS HOTELS LIMITED

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Frank Shippam BSC FCA DChA (Senior statutory auditor)

for and on behalf of  
**MA Partners LLP**

Chartered Accountants  
Statutory Auditors

7 The Close  
Norwich  
Norfolk  
NR1 4DJ

29 September 2014



**ABACUS HOTELS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>9,607,382</b>	<b>9,018,799</b>
Cost of sales		<u>(7,301,867)</u>	<u>(7,117,829)</u>
<b>GROSS PROFIT</b>		<b>2,305,515</b>	<b>1,900,970</b>
Administrative expenses		<u>(1,740,265)</u>	<u>(1,763,127)</u>
<b>OPERATING PROFIT</b>	3	<b>565,250</b>	<b>137,843</b>
Interest receivable and similar income		<b>357</b>	<b>424</b>
Interest payable and similar charges		<u>(164,267)</u>	<u>(171,067)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>401,340</b>	<b>(32,800)</b>
Tax on profit/(loss) on ordinary activities	7	<u>(71)</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	14	<u><b>401,269</b></u>	<u><b>(32,800)</b></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

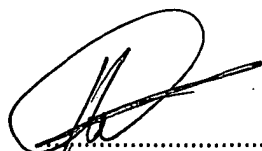
The notes on pages 9 to 18 form part of these financial statements.

**ABACUS HOTELS LIMITED**  
Registered number: 03101431

**BALANCE SHEET**  
as at 31 March 2014

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	8		13,999,832		14,084,583
<b>CURRENT ASSETS</b>					
Stocks	9	79,334		82,981	
Debtors	10	309,836		285,645	
Cash at bank		12,993		12,477	
		<u>402,163</u>		<u>381,103</u>	
<b>CREDITORS:</b> amounts falling due within one year	11	(1,489,780)		(1,698,196)	
<b>NET CURRENT LIABILITIES</b>			(1,087,617)		(1,317,093)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,912,215</u>		<u>12,767,490</u>
<b>CREDITORS:</b> amounts falling due after more than one year					
	12		6,447,691		6,704,235
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13	1,872,535		1,872,535	
Capital redemption reserve	14	24,324		24,324	
Profit and loss account	14	4,567,665		4,166,396	
	15		<u>6,464,524</u>		<u>6,063,255</u>
			<u>12,912,215</u>		<u>12,767,490</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 September 2014.



**HJ Darking**  
Director

The notes on pages 9 to 18 form part of these financial statements.

**ABACUS HOTELS LIMITED**

**CASH FLOW STATEMENT  
for the year ended 31 March 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	16	816,609	487,274
Returns on investments and servicing of finance	17	(163,910)	(188,178)
Capital expenditure and financial investment	17	(157,873)	(435,631)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>494,826</b>	<b>(136,535)</b>
Financing	17	(258,592)	(247,851)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>236,234</b>	<b>(384,386)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
for the year ended 31 March 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	236,234	(384,386)
Cash outflow from decrease in debt and lease financing	258,592	247,851
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>494,826</b>	<b>(136,535)</b>
Net debt at 1 April 2013	(7,218,822)	(7,082,287)
<b>NET DEBT AT 31 MARCH 2014</b>	<b>(6,723,996)</b>	<b>(7,218,822)</b>

The notes on pages 9 to 18 form part of these financial statements.

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## ABACUS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They include the results of the company's operations which are described in the Directors Report and all of which are continuing.

##### 1.2 TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company, and is recognised when rooms are occupied and food and beverages sold. All revenue is stated net of Value Added Tax.

##### 1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Freehold land	-	Not depreciated
Property improvements, excluding- hotels (see below)	-	Straight line over 10 years
Motor vehicles	-	Straight line over 4 years
Fixtures & fittings	-	Straight line over 7 to 15 years
Computer equipment	-	Straight line over 3 years

The company's freehold buildings include the three hotels which are maintained to a high standard by an annual maintenance programme, the costs of which are charged to the profit and loss account. In addition the directors carry out a programme of extending and improving the hotel properties, the costs of which are capitalised. Consequently, no depreciation charge is made against the hotel buildings on the grounds that it would be immaterial as their estimated residual value is not materially different from their carrying value. In accordance with FRS 15 annual impairment reviews are performed for hotel buildings.

##### 1.4 PENSIONS

The company operates a defined contribution pension scheme to provide retirement benefits to certain of its employees. Contributions are charged to the profit and loss account in the period in which they are payable.

##### 1.5 LEASING AND HIRE PURCHASE

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

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## ABACUS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 OPERATING LEASES

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

##### 1.7 STOCKS

Stocks consist of food and beverages for resale and are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling price less cost to sell.

##### 1.8 DEFERRED TAXATION

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

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

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

Deferred tax assets and liabilities are not discounted.

#### 2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company, being that of hoteliers.

All turnover arose within the United Kingdom.

#### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	233,985	268,668
- held under finance leases	8,639	9,600
Operating lease rentals:		
- plant and machinery	4,921	-
	<u>247,545</u>	<u>278,268</u>

**ABACUS HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014

**4. AUDITORS' REMUNERATION**

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>14,400</u>	<u>14,000</u>

**5. STAFF COSTS**

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

	2014 £	2013 £
Wages and salaries	3,880,488	3,823,509
Social security costs	287,357	281,203
Other pension costs	37,676	37,602
	<u>4,205,521</u>	<u>4,142,314</u>

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

	2014 No.	2013 No.
Service	279	287
Office and management	27	27
	<u>306</u>	<u>314</u>

**6. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	<u>406,726</u>	<u>369,608</u>
Company pension contributions to defined contribution pension schemes	<u>18,600</u>	<u>19,400</u>

During the year retirement benefits were accruing to 2 directors (2013 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £233,050 (2013 - £190,205).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2013 - £12,000).

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**ABACUS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014

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**7. TAXATION**

	2014 £	2013 £
UK corporation tax charge on profit/loss for the year	<u>71</u>	<u>-</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Profit/loss on ordinary activities before tax	<u>401,340</u>	<u>(32,800)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	80,268	(6,560)

**EFFECTS OF:**

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	545	73
Capital allowances greater than depreciation	(5,700)	(5,750)
Losses for the year	-	12,237
Utilisation of tax losses	(75,042)	-
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>71</u>	<u>-</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

At 31 March 2014 tax losses carried forward total **£117,504** (2013: £510,850). No deferred tax asset has been recognised in the financial statements due to the uncertainty over the timing of future profits.

**ABACUS HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014

**8. TANGIBLE FIXED ASSETS**

	Freehold land & buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>COST</b>				
At 1 April 2013	13,205,081	3,580,911	17,395	16,803,387
Additions	56,812	101,061	-	157,873
At 31 March 2014	13,261,893	3,681,972	17,395	16,961,260
<b>DEPRECIATION</b>				
At 1 April 2013	8,778	2,698,791	11,235	2,718,804
Charge for the year	3,192	235,083	4,349	242,624
At 31 March 2014	11,970	2,933,874	15,584	2,961,428
<b>NET BOOK VALUE</b>				
At 31 March 2014	13,249,923	748,098	1,811	13,999,832
At 31 March 2013	13,196,303	882,120	6,160	14,084,583

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

	2014 £	2013 £
Furniture, fittings and equipment	12,958	21,597

**9. STOCKS**

	2014 £	2013 £
Food and beverages for resale	79,334	82,981

**10. DEBTORS**

	2014 £	2013 £
Trade debtors	261,555	230,838
Prepayments and accrued income	48,281	54,807
	309,836	285,645



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**ABACUS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2014**

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**11. CREDITORS:**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>282,754</b>	<b>518,472</b>
Other loans	<b>924</b>	<b>3,696</b>
Net obligations under finance leases and hire purchase contracts	<b>5,620</b>	<b>4,896</b>
Trade creditors	<b>404,361</b>	<b>427,884</b>
Corporation tax	<b>71</b>	<b>-</b>
Social security and other taxes	<b>353,333</b>	<b>325,840</b>
Accruals and deferred income	<b>442,717</b>	<b>417,408</b>
	<b>1,489,780</b>	<b>1,698,196</b>

**ABACUS HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2014**

**12. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014 £	2013 £
Bank loans	6,429,167	6,679,167
Other loans	-	924
Net obligations under finance leases and hire purchase contracts	18,524	24,144
	<u>6,447,691</u>	<u>6,704,235</u>

Included within the above are amounts falling due as follows:

	2014 £	2013 £
<b>BETWEEN ONE AND TWO YEARS</b>		
Bank loans	250,000	250,000
Other loans	-	924
	<u>250,000</u>	<u>250,924</u>
<b>BETWEEN TWO AND FIVE YEARS</b>		
Bank loans	750,000	750,000
	<u>750,000</u>	<u>750,000</u>
<b>OVER FIVE YEARS</b>		
Bank loans	5,429,167	5,679,167
	<u>5,429,167</u>	<u>5,679,167</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	2013 £
Repayable by instalments	5,429,167	5,679,167
	<u>5,429,167</u>	<u>5,679,167</u>

The bank loan bears interest at LIBOR plus 1.85% and is repayable by February 2020. It is secured by a legal charge over the freehold property of the company and by a floating charge on the remainder of the company's assets.

Total secured creditors amounts to **£6,736,065** (2013: £7,226,679).

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

	2014 £	2013 £
Between one and five years	18,524	24,144
	<u>18,524</u>	<u>24,144</u>

**13. SHARE CAPITAL**

	2014 £	2013 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,872,535 Ordinary shares of £1 each	1,872,535	1,872,535
	<u>1,872,535</u>	<u>1,872,535</u>

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**ABACUS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014

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**14. RESERVES**

	Capital redempt'n reserve £	Profit and loss account £
At 1 April 2013	24,324	4,166,396
Profit for the financial year		401,269
At 31 March 2014	<u>24,324</u>	<u>4,567,665</u>

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Opening shareholders' funds	6,063,255	6,096,055
Profit/(loss) for the financial year	401,269	(32,800)
Closing shareholders' funds	<u>6,464,524</u>	<u>6,063,255</u>

**16. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	565,250	137,843
Depreciation of tangible fixed assets	242,624	278,268
Decrease in stocks	3,647	1,107
(Increase)/decrease in debtors	(24,191)	4,708
Increase in creditors	29,279	65,348
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>816,609</u>	<u>487,274</u>

**ABACUS HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014

**17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	357	(17,111)
Interest paid	(161,281)	(170,471)
Hire purchase interest	(2,986)	(596)
	<u>(163,910)</u>	<u>(188,178)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
	2014 £	2013 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(157,873)	(435,631)
	2014 £	2013 £
<b>FINANCING</b>		
Repayment of loans	(250,000)	(270,833)
Repayment of other loans	(3,696)	(3,696)
(Repayment of)/new finance leases	(4,896)	26,678
	<u>(258,592)</u>	<u>(247,851)</u>
<b>NET CASH OUTFLOW FROM FINANCING</b>		

**18. ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand	12,477	516	-	12,993
Bank overdraft	(268,472)	235,718	-	(32,754)
	<u>(255,995)</u>	<u>236,234</u>	<u>-</u>	<u>(19,761)</u>
<b>DEBT:</b>				
Debts due within one year	(258,592)	2,048	-	(256,544)
Debts falling due after more than one year	(6,704,235)	256,544	-	(6,447,691)
<b>NET DEBT</b>	<u>(7,218,822)</u>	<u>494,826</u>	<u>-</u>	<u>(6,723,996)</u>

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ABACUS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2014

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**19. CAPITAL COMMITMENTS**

At 31 March 2014 the company had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	<u>39,665</u>	<u>8,000</u>

**20. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme on behalf of its directors and certain employees. Contributions paid are charged to the profit and loss account for the year in which they are payable to the scheme. The amount paid under the scheme during the year amounted to **£37,676** (2013: £37,602) and there was no outstanding or prepaid contribution at the balance sheet date.

**21. OPERATING LEASE COMMITMENTS**

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>EXPIRY DATE:</b>		
Between 2 and 5 years	<u>5,368</u>	<u>-</u>

**22. CONTROLLING PARTY**

62.48% of the issued share capital of Abacus Hotels Limited is held by UK Investments LLC, a company registered in the United States of America. No one individual has control of this company.