

REGISTERED NUMBER: 03309179

**COTSWOLD INNS & HOTELS LIMITED**  
**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

THURSDAY



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COMPANIES HOUSE

Phoenix Business Associates Limited  
Chartered Certified Accountants  
Statutory Auditors  
The Riding School House  
Bulls Lane  
Wishaw  
Sutton Coldfield  
West Midlands  
B76 9QW

**COTSWOLD INNS & HOTELS LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2014**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Profit and Loss Account</b>	<b>7</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Cash Flow Statement</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>13</b>

**COTSWOLD INNS & HOTELS LIMITED**

**COMPANY INFORMATION**  
**for the year ended 30 September 2014**

**DIRECTORS:**

Mr M T Horton  
Mrs P J Horton  
Mrs J P Barlow  
Mr P Davis  
Mrs N A Linington  
Mr G J Cleaver

**SECRETARY:**

Mrs J P Barlow

**REGISTERED OFFICE:**

Orchard House  
Crab Apple Way  
Vale Business Park  
Evesham  
Worcestershire  
WR11 1GE

**REGISTERED NUMBER:**

03309179

**AUDITORS:**

Phoenix Business Associates Limited  
Chartered Certified Accountants  
Statutory Auditors  
The Riding School House  
Bulls Lane  
Wishaw  
Sutton Coldfield  
West Midlands  
B76 9QW

**COTSWOLD INNS & HOTELS LIMITED**

**STRATEGIC REPORT**  
**for the year ended 30 September 2014**

The directors present their strategic report for the year ended 30 September 2014.

The board of directors are pleased to provide their strategic report for the year ended 30th September 2014.

**REVIEW OF BUSINESS**

The board of directors are pleased with the results for the year, sales continue to grow and the forecast is encouraging with occupancy increasing generally within the hotel industry, but it remains a difficult trading environment as cost increases put margins under pressure.

During the year Mrs Pamela Horton undertook the design and refurbishment of the ground floor and bedrooms at our latest acquisition, 'The Close Hotel'. The hotel is now very much a part of the Cotswold Inns & Hotels family and we look forward to watching it bloom.

The Hare and Hounds hotel undertook a major drainage and bore hole project which was very successful and will support the hotel water requirements for the foreseeable future.

Looking to our next financial year we will be upgrading the ground floor of 'The Bay Tree Hotel' along with ten bedrooms and also to refit the kitchen at 'The Lamb Inn'.

As a company we are proving that we are a major force to be reckoned with in the British hospitality industry and we will continue to strive to consistently attain the highest possible standards in order to give our customers the best possible experience during their stay with us.

**PRINCIPAL RISKS AND UNCERTAINTIES**

In common with many businesses of a similar size in the hotel industry, we as a company, are acutely aware that both UK and global economic uncertainty has a direct impact on the attitudes to spending of the general public and in particular where this comes to leisure and recreational activities.

As a company we pride ourselves on offering excellent food and accommodation within the Cotswolds area at, what we believe to be, competitive rates for the products offered.

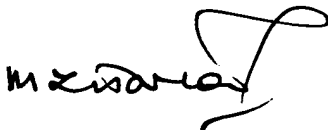
It is not our intention to compete with "no frills" hotel chains as, whilst there is clearly a place for those within our industry, we believe strongly that our branding and products justify the additional price tag.

We recognise that having just seen the results of a General Election in the UK, that this will hopefully provide a period of stability although we do recognise that global economic factors will always present an inherent risk and uncertainty.

**PROPERTY CONSIDERATIONS**

We have undertaken a valuation of the freehold properties for inclusion in these financial statements so as to recognise the actual market value of the properties as fully equipped and operational entities. We were pleased to see an increase in the overall property portfolio which gives us some assurance and comfort that our product is increasing its deemed market value.

**ON BEHALF OF THE BOARD:**



Mr M T Horton - Director

27 May 2015

**COTSWOLD INNS & HOTELS LIMITED**

**REPORT OF THE DIRECTORS**  
**for the year ended 30 September 2014**

The directors present their report with the financial statements of the company for the year ended 30 September 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the ownership and management of hotels and bars. The company has operated eight hotel businesses during the year, all situated within the Cotswolds as follows:

The Bay Tree Hotel, Burford  
The Bear of Rodborough Hotel, Stroud  
The Broadway Hotel, Broadway  
The Manor House Hotel, Moreton in Marsh  
The Swan Hotel, Bibury  
The Lamb Inn, Burford  
The Hare and Hounds Hotel, Tetbury  
The Close Hotel, Tetbury

In addition the company operated the following 2 bars:

Utopia Bar, Birmingham  
Bar Epernay, Birmingham.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 September 2014.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2013 to the date of this report.

Mr M T Horton  
Mrs P J Horton  
Mrs J P Barlow  
Mr P Davis  
Mrs N A Linington

Other changes in directors holding office are as follows:

Mr G J Cleaver was appointed as a director after 30 September 2014 but prior to the date of this report.

**COTSWOLD INNS & HOTELS LIMITED**

**REPORT OF THE DIRECTORS**  
**for the year ended 30 September 2014**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

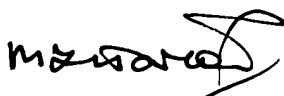
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Phoenix Business Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Mr M T Horton - Director

27 May 2015

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COTSWOLD INNS & HOTELS LIMITED**

We have audited the financial statements of Cotswold Inns & Hotels Limited for the year ended 30 September 2014 on pages seven to twenty three. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COTSWOLD INNS & HOTELS LIMITED**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, 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.



David R Hill F.C.C.A. (Senior Statutory Auditor)  
for and on behalf of Phoenix Business Associates Limited  
Chartered Certified Accountants  
Statutory Auditors  
The Riding School House  
Bulls Lane  
Wishaw  
Sutton Coldfield  
West Midlands  
B76 9QW

27 May 2015



**COTSWOLD INNS & HOTELS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 September 2014**

	Notes	30/9/14 £	30/9/13 £
<b>TURNOVER</b>		<b>18,082,292</b>	16,298,010
Cost of sales		<b>11,984,559</b>	10,863,381
<b>GROSS PROFIT</b>		<b>6,097,733</b>	5,434,629
Administrative expenses		<b>5,200,481</b>	4,819,831
<b>OPERATING PROFIT</b>	3	<b>897,252</b>	614,798
Interest receivable and similar income		<b>3,972</b>	1,996
		<b>901,224</b>	616,794
Interest payable and similar charges	4	<b>404,850</b>	343,708
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>496,374</b>	273,086
Tax on profit on ordinary activities	5	<b>794</b>	399
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>495,580</b>	272,687

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**COTSWOLD INNS & HOTELS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the year ended 30 September 2014**

	<b>30/9/14</b>	<b>30/9/13</b>
	<b>£</b>	<b>£</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>495,580</b>	<b>272,687</b>
Revaluation of freehold property	<b>4,006,807</b>	-
<b>TOTAL RECOGNISED GAINS AND LOSSES</b>		
<b>RELATING TO THE YEAR</b>	<b>4,502,387</b>	<b>272,687</b>

The notes form part of these financial statements

**COTSWOLD INNS & HOTELS LIMITED (REGISTERED NUMBER: 03309179)**

**BALANCE SHEET**  
**30 September 2014**

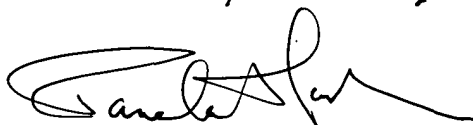
	Notes	30/9/14 £	30/9/13 £
<b>FIXED ASSETS</b>			
Intangible assets	6	2,227,349	2,408,922
Tangible assets	7	30,667,253	27,151,691
		<u>32,894,602</u>	<u>29,560,613</u>
<b>CURRENT ASSETS</b>			
Stocks	8	221,095	201,492
Debtors	9	901,498	1,001,749
Cash at bank		2,194,413	1,255,165
		<u>3,317,006</u>	<u>2,458,406</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	6,231,955	6,272,816
<b>NET CURRENT LIABILITIES</b>		<u>(2,914,949)</u>	<u>(3,814,410)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>29,979,653</u>	<u>25,746,203</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	9,707,404	9,976,341
<b>NET ASSETS</b>		<u>20,272,249</u>	<u>15,769,862</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	12,050,000	12,050,000
Revaluation reserve	16	11,055,174	7,048,367
Profit and loss account	16	(2,832,925)	(3,328,505)
<b>SHAREHOLDERS' FUNDS</b>	21	<u>20,272,249</u>	<u>15,769,862</u>

The financial statements were approved by the Board of Directors on 27 May 2015 and were signed on its behalf by:

Mr M T Horton - Director



Mrs P J Horton - Director



The notes form part of these financial statements

**COTSWOLD INNS & HOTELS LIMITED**

**CASH FLOW STATEMENT  
for the year ended 30 September 2014**

	Notes	30/9/14 £	£	30/9/13 £	£
<b>Net cash inflow from operating activities</b>	1		2,443,562		2,219,267
<b>Returns on investments and servicing of finance</b>	2		(400,878)		(341,712)
<b>Taxation</b>			(399)		(38)
<b>Capital expenditure</b>	2		(889,691)		(2,954,542)
			<u>1,152,594</u>		<u>(1,077,025)</u>
<b>Financing</b>	2		(213,346)		1,892,831
<b>Increase in cash in the period</b>			<u>939,248</u>		<u>815,806</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase in cash in the period		939,248		815,806	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>222,403</u>		<u>(1,901,888)</u>	
Change in net debt resulting from cash flows			<u>1,161,651</u>		<u>(1,086,082)</u>
<b>Movement in net debt in the period</b>			<u>1,161,651</u>		<u>(1,086,082)</u>
<b>Net debt at 1 October</b>			<u>(11,433,894)</u>		<u>(10,347,812)</u>
<b>Net debt at 30 September</b>			<u>(10,272,243)</u>		<u>(11,433,894)</u>

The notes form part of these financial statements

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
for the year ended 30 September 2014**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	30/9/14	30/9/13
	£	£
Operating profit	897,252	614,798
Depreciation charges	1,481,934	1,387,701
Loss on disposal of fixed assets	80,575	21,900
Increase in stocks	(19,603)	(1,079)
Decrease/(increase) in debtors	91,194	(240,493)
(Decrease)/increase in creditors	(87,790)	436,440
<b>Net cash inflow from operating activities</b>	<b>2,443,562</b>	<b>2,219,267</b>

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

	30/9/14	30/9/13
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	3,972	1,996
Interest paid	(403,675)	(341,756)
Interest element of hire purchase payments	(1,175)	(1,952)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(400,878)</b>	<b>(341,712)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(889,691)	(3,067,042)
Sale of tangible fixed assets	-	112,500
<b>Net cash outflow for capital expenditure</b>	<b>(889,691)</b>	<b>(2,954,542)</b>
<b>Financing</b>		
New loans in year	500,000	2,500,000
Net loan repayments in year	(717,832)	(589,228)
Net inflows from new contracts	(4,571)	(8,884)
Amount introduced by directors	9,057	-
Amount withdrawn by directors	-	(9,057)
<b>Net cash (outflow)/inflow from financing</b>	<b>(213,346)</b>	<b>1,892,831</b>

The notes form part of these financial statements

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**for the year ended 30 September 2014**

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

	At 1/10/13 £	Cash flow £	At 30/9/14 £
Net cash:			
Cash at bank	1,255,165	939,248	2,194,413
	<u>1,255,165</u>	<u>939,248</u>	<u>2,194,413</u>
Debt:			
Hire purchase	(13,223)	4,571	(8,652)
Debts falling due within one year	(2,708,147)	(47,397)	(2,755,544)
Debts falling due after one year	(9,967,689)	265,229	(9,702,460)
	<u>(12,689,059)</u>	<u>222,403</u>	<u>(12,466,656)</u>
Total	<u>(11,433,894)</u>	<u>1,161,651</u>	<u>(10,272,243)</u>

The notes form part of these financial statements

## **COTSWOLD INNS & HOTELS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **for the year ended 30 September 2014**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The company has net current liabilities at the balance sheet date. However the majority of this is due to bank borrowings which are secured against the various hotel properties. The company enjoys a good working relationship with its bankers and, given that the company has significant overall net assets, the directors believe that the going concern basis of preparation is appropriate.

##### **Accounting convention**

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

##### **Turnover**

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services to customers. It is attributable to one continuing activity which is the principal activity of the company.

##### **Goodwill**

Purchased goodwill arising on business combinations in respect of acquisitions before 1 October 1998, when Financial Reporting Standard 10: Goodwill and Intangible assets was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs, any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 October 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its useful life, estimated by the directors, of 20 years.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property and land	- Straight line over 300 years
Short leasehold	- over the period of the lease
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- 25% on cost

Freehold land is not depreciated.

##### **Stocks**

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

##### **Deferred tax**

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

**1. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as "operating leases" and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

**Pension costs and other post-retirement benefits**

The company has established a company personal pension plan covering all employees. This is a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently managed fund. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

**2. STAFF COSTS**

	<b>30/9/14</b>	<b>30/9/13</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>6,298,101</b>	5,762,644
Social security costs	<b>535,153</b>	491,289
Other pension costs	<b>164,994</b>	90,336
	<hr/> <b>6,998,248</b> <hr/>	<hr/> <b>6,344,269</b> <hr/>

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

	<b>30/9/14</b>	<b>30/9/13</b>
Office management	<b>33</b>	35
Bar & hotel staff	<b>383</b>	319
	<hr/> <b>416</b> <hr/>	<hr/> <b>354</b> <hr/>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>30/9/14</b>	<b>30/9/13</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	<b>1,295,726</b>	1,197,592
Depreciation - assets on hire purchase contracts	<b>4,635</b>	8,535
Loss on disposal of fixed assets	<b>80,575</b>	21,900
Goodwill amortisation	<b>181,573</b>	181,573
Auditors' remuneration - Audit fee	<b>16,250</b>	16,245
Auditors' remuneration - Other services	<b>2,995</b>	2,500
	<hr/> <b>455,007</b> <hr/>	<hr/> <b>360,614</b> <hr/>



**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

**3. OPERATING PROFIT - continued**

Information regarding the highest paid director is as follows:

	30/9/14	30/9/13
	£	£
Emoluments etc	<u>153,086</u>	<u>123,801</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	30/9/14	30/9/13
	£	£
Bank loan & overdraft interest	403,675	341,756
Hire purchase interest	1,175	1,952
	<u>404,850</u>	<u>343,708</u>

**5. TAXATION**

**Analysis of the tax charge**

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

	30/9/14	30/9/13
	£	£
Current tax:		
UK corporation tax	794	399
	<u>794</u>	<u>399</u>
Tax on profit on ordinary activities	<u>794</u>	<u>399</u>

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30/9/14	30/9/13
	£	£
Profit on ordinary activities before tax	<u>496,374</u>	<u>273,086</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	99,275	54,617
Effects of:		
Depreciation in excess of capital allowances	102,988	95,016
Utilisation of tax losses	(150,595)	(99,744)
Revenue expenses capitalised	(14,533)	(13,468)
Allowable purchased goodwill	(34,315)	(34,315)
Allowable depreciation of leased assets	(2,026)	(1,707)
	<u>794</u>	<u>399</u>
Current tax charge	<u>794</u>	<u>399</u>

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

**6. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 October 2013	
and 30 September 2014	<b>3,585,701</b>
<b>AMORTISATION</b>	
At 1 October 2013	<b>1,176,779</b>
Amortisation for year	<b>181,573</b>
At 30 September 2014	<b>1,358,352</b>
<b>NET BOOK VALUE</b>	
At 30 September 2014	<b>2,227,349</b>
At 30 September 2013	<b>2,408,922</b>

**7. TANGIBLE FIXED ASSETS**

	Freehold property and land £	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 October 2013	26,668,464	36,838	8,981,050	100,471	35,786,823
Additions	118,170	-	764,851	6,670	889,691
Disposals	-	-	(214,623)	-	(214,623)
Revaluations	4,006,807	-	-	-	4,006,807
Reclassification/transfer	-	-	(299,766)	-	(299,766)
At 30 September 2014	<b>30,793,441</b>	<b>36,838</b>	<b>9,231,512</b>	<b>107,141</b>	<b>40,168,932</b>
<b>DEPRECIATION</b>					
At 1 October 2013	2,036,863	9,269	6,512,118	76,882	8,635,132
Charge for year	452,535	2,286	833,081	12,459	1,300,361
Eliminated on disposal	-	-	(134,048)	-	(134,048)
Reclassification/transfer	-	-	(299,766)	-	(299,766)
At 30 September 2014	<b>2,489,398</b>	<b>11,555</b>	<b>6,911,385</b>	<b>89,341</b>	<b>9,501,679</b>
<b>NET BOOK VALUE</b>					
At 30 September 2014	<b>28,304,043</b>	<b>25,283</b>	<b>2,320,127</b>	<b>17,800</b>	<b>30,667,253</b>
At 30 September 2013	<b>24,631,601</b>	<b>27,569</b>	<b>2,468,932</b>	<b>23,589</b>	<b>27,151,691</b>

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 30 September 2014**

**7. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 30 September 2014 is represented by:

	<b>Freehold property and land £</b>	<b>Short leasehold £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
Valuation in 2008	<b>5,567,230</b>	-	-	-	<b>5,567,230</b>
Valuation in 2009	<b>1,481,137</b>	-	-	-	<b>1,481,137</b>
Valuation in 2014	<b>4,006,807</b>	-	-	-	<b>4,006,807</b>
Cost	<b>19,738,267</b>	<b>36,838</b>	<b>9,231,512</b>	<b>107,141</b>	<b>29,113,758</b>
	<b>30,793,441</b>	<b>36,838</b>	<b>9,231,512</b>	<b>107,141</b>	<b>40,168,932</b>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	<b>30/9/14 £</b>	<b>30/9/13 £</b>
Cost	<b>19,738,267</b>	19,620,097
Aggregate depreciation	<b>597,943</b>	539,932
Value of land in freehold land and buildings	<b>2,216,612</b>	2,216,612

Freehold land and buildings were valued on a market value basis on 30 January 2015 by Messrs. Fleurets.

Freehold land and buildings were valued at market value in January 2015 by Messrs. Fleurets, Chartered Surveyors, on an existing use basis, assuming that the properties are fully equipped as operational entities and having regard to trading potential and on the assumption that full vacant possession is available.

The valuation complied with the provisions of the global edition of the RICS Valuation - Professional Standards 2014 (incorporating the International Valuation Standards), published in January 2014 by the Royal Institution of Chartered Surveyors (RICS).

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

**7. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Motor vehicles £</b>
<b>COST OR VALUATION</b>	
At 1 October 2013	<b>34,140</b>
Transfer to ownership	<b>(15,600)</b>
	<hr/>
At 30 September 2014	<b>18,540</b>
	<hr/>
<b>DÉPRECIATION</b>	
At 1 October 2013	<b>19,100</b>
Charge for year	<b>4,635</b>
Transfer to ownership	<b>(11,375)</b>
	<hr/>
At 30 September 2014	<b>12,360</b>
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 September 2014	<b>6,180</b>
	<hr/>
At 30 September 2013	<b>15,040</b>
	<hr/>

**8. STOCKS**

	<b>30/9/14 £</b>	<b>30/9/13 £</b>
Food and liquor	<b>206,004</b>	190,294
Consumables	<b>15,091</b>	11,198
	<hr/>	<hr/>
	<b>221,095</b>	201,492
	<hr/>	<hr/>

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>30/9/14 £</b>	<b>30/9/13 £</b>
Trade debtors	<b>165,474</b>	203,869
Other debtors	<b>156,723</b>	133,803
Directors' current accounts	-	9,057
Prepayments and accrued income	<b>579,301</b>	655,020
	<hr/>	<hr/>
	<b>901,498</b>	1,001,749
	<hr/>	<hr/>

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

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

	30/9/14	30/9/13
	£	£
Bank loans and overdrafts (see note 12)	2,755,544	2,708,147
Hire purchase contracts (see note 13)	3,708	4,571
Trade creditors	1,190,489	1,236,539
Corporation tax payable	794	399
Social security and other taxes	150,482	145,059
VAT	515,648	651,220
Other creditors	1,095,980	1,057,540
Wages control account	212,765	190,401
Accruals and deferred income	306,545	278,940
	<u>6,231,955</u>	<u>6,272,816</u>

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

	30/9/14	30/9/13
	£	£
Bank loans (see note 12)	9,702,460	9,967,689
Hire purchase contracts (see note 13)	4,944	8,652
	<u>9,707,404</u>	<u>9,976,341</u>

**12. LOANS**

An analysis of the maturity of loans is given below:

	30/9/14	30/9/13
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>2,755,544</u>	<u>2,708,147</u>
Amounts falling due between one and two years:		
Bank loans	<u>794,692</u>	<u>743,451</u>
Amounts falling due between two and five years:		
Bank loans	<u>2,625,778</u>	<u>2,454,526</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>6,281,990</u>	<u>6,769,712</u>

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

**13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	30/9/14 £	30/9/13 £
Net obligations repayable:		
Within one year	3,708	4,571
Between one and five years	4,944	8,652
	<u>8,652</u>	<u>13,223</u>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	30/9/14 £	30/9/13 £
Bank loans	12,458,004	12,675,836
Hire purchase contracts	8,652	13,223
	<u>12,466,656</u>	<u>12,689,059</u>

The bank loans and overdraft are secured by way of a fixed charge over The Lamb Inn, The Swan Hotel, The Manor House Hotel, The Broadway Hotel, The Bay Tree Hotel, The Bear of Rodborough Hotel, The Close Hotel, 17 Fossey Avenue, Moreton, 2a Frethern Close, Burton, 6 Jubilee Court, Bibury and a floating charge over the company's assets.

As at the year end the company had the following facilities:

Loan 1 - £2,000,000 drawn down in December 2008. Capital repayment holiday until April 2010. Interest fixed at 4.87% per annum until 18th March 2016;  
 Loan 2 - £2,000,000 drawn down in January 2009. Capital repayment holiday until May 2010. Following refinancing the interest rate was fixed at 3.80% per annum for 7 years from April 2014;  
 Loan 3 - £2,000,000 drawn down in January 2009. Capital repayment holiday until May 2010. The loan was refinanced on 10th April 2012 on £1,802,332 at a rate of 2.92% fixed until 7th April 2015;  
 Loan 4 - £1,850,000 drawn down in February 2009. Capital repayment holiday until June 2010. Interest fixed at base rate plus 1.25% for 180 consecutive months;  
 Loan 5 - £4,000,000 drawn down in January 2009. Reviewed in May 2011 so as to be £2,000,000 interest only and £2,000,000 capital and interest repayment. Interest charged at base rate plus 1.50%. Repayments to be made over 180 months;  
 Loan 6 - £2,500,000 drawn down in June 2013. Interest has been fixed at a rate of 3.98% for 60 consecutive months;  
 Loan 7 - £500,000 drawn down February 2014. Interest has been fixed at a rate of 4.02% for 5 years.

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30/9/14 £	30/9/13 £
12,050,000	Ordinary	£1	<u>12,050,000</u>	<u>12,050,000</u>

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

**16. RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 October 2013	(3,328,505)	7,048,367	3,719,862
Profit for the year	495,580		495,580
Revaluation of property	-	4,006,807	4,006,807
	<hr/>	<hr/>	<hr/>
At 30 September 2014	(2,832,925)	11,055,174	8,222,249
	<hr/>	<hr/>	<hr/>

**17. CONTINGENT LIABILITIES**

The company has a commitment as a guarantor on a lease arrangement with a maximum commencement value of £74,945. The amount of any liability which may ultimately fall due to be paid by the company reduces on a monthly basis and the lease expires in February 2018.

**18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 30 September 2014 and 30 September 2013:

	30/9/14 £	30/9/13 £
<b>Mr M T Horton</b>		
Balance outstanding at start of year	9,057	-
Amounts advanced	10,477	9,057
Amounts repaid	(20,000)	-
Balance outstanding at end of year	(466)	9,057
	<hr/>	<hr/>

**19. RELATED PARTY DISCLOSURES**

**Crophorne Inns**

A partnership controlled by M T Horton and P J Horton

The company provided goods and services to Crophorne Inns to the value of £51,761 (2013 : £39,534)  
*Crophorne Inns provided goods and services to the company to the value of £6,000 (2013 : £6,440).*

	30/9/14 £	30/9/13 £
Amount due (to)/from related party at the balance sheet date	(500)	4,434
	<hr/>	<hr/>

**WMT Pension Fund**

A pension fund of which M T Horton and P J Horton are beneficiaries

WMT Pension Fund charged rent to the company of £36,409 (2013 : £25,636).

**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

**19. RELATED PARTY DISCLOSURES - continued**

**Hortons' Estates Limited**

A company in which M T Horton has an interest

The company bought goods and services from Hortons' Estates Limited during the year totalling £2,187 (2013 : £4,583).

**Cornex Limited**

A company which is wholly owned by Hortons' Estates Limited

A licensed unit at Innovation Square is leased to the company by Cornex Limited. The amounts charged during the year amounted to £92,267 (2013 : £93,722)

**Tivoli Inns**

A business operated by a son of the directors

The company provided administrative services and goods to Tivoli Inns during the year amounting to £9,274 (2013 : £8,871) and bought goods and services totalling £103 (2013 : £nil).

**Louisa Horton**

A daughter of the directors

The company bought goods from Louisa Horton during the year amounting to £1,404 (2013 : £500).

	<b>30/9/14</b>	<b>30/9/13</b>
	<b>£</b>	<b>£</b>
Amount due to related party at the balance sheet date	<b><u>1,404</u></b>	<b><u>-</u></b>

**Lypiatt Estates Limited**

A company of which M T Horton & P J Horton are directors & shareholders

The company bought goods and services from Lypiatt Estates Limited during the year amounting to £9,923 (2013 : £11,810).

The company sold goods and services to Lypiatt Estates Limited during the year amounting to £5,998 (2013 : £404).

During the year the company loaned monies to Lypiatt Estates Limited totalling £25,000 (2013 : £120,000). Interest is charged on these loans at 2.0% over the Bank of England base rate. This amounted to £3,476 (2013 : £1,911) during the year.

	<b>30/9/14</b>	<b>30/9/13</b>
	<b>£</b>	<b>£</b>
Amount due from related party at the balance sheet date	<b><u>145,000</u></b>	<b><u>120,000</u></b>



**COTSWOLD INNS & HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2014**

**19. RELATED PARTY DISCLOSURES - continued**

**The Pamela J Horton Discretionary Settlement**

A trust of which Pamela J Horton is a Trustee

During the previous year the Pamela J Horton Discretionary Settlement loaned monies to the company totalling £25,000. Interest is to be charged on the loan at 2.0% per annum above the Bank of England base rate. The loan was due for repayment on 31 March 2014 but was extended by the Trustees and repaid on 28 November 2014.

	30/9/14	30/9/13
	£	£
Amount due to related party at the balance sheet date	<u>25,000</u>	<u>25,000</u>

**The Michael T Horton Discretionary Settlement**

A trust of which Michael T Horton is a Trustee

During the previous year the Michael T Horton Discretionary Settlement loaned monies to the company totalling £25,000. Interest is to be charged on the loan at 2.0% per annum above the Bank of England base rate. The loan was due for repayment on 31 March 2014 but was extended by the Trustees and repaid on 28 November 2014.

	30/9/14	30/9/13
	£	£
Amount due to related party at the balance sheet date	<u>25,000</u>	<u>25,000</u>

**M T Horton & Mrs P J Horton**

Directors and shareholders of the company

During the year the company paid rent amounting to £4,167 to M T Horton and Mrs P J Horton for the commercial use of a premises owned personally by them.

**20. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is M J Horton and P J Horton.

**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30/9/14	30/9/13
	£	£
Profit for the financial year	495,580	272,687
Other recognised gains and losses relating to the year (net)	<u>4,006,807</u>	-
<b>Net addition to shareholders' funds</b>	<b>4,502,387</b>	272,687
Opening shareholders' funds	<u>15,769,862</u>	<u>15,497,175</u>
<b>Closing shareholders' funds</b>	<b><u>20,272,249</u></b>	<b><u>15,769,862</u></b>