

EDWARD BENCE HOTELS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016



EDWARD BENCE HOTELS LIMITED

COMPANY INFORMATION

Directors	Mr Edward John Bence Mrs S E Bence Mr Edward James Bence (appointed 5 December 2016) Mrs L Chamings (appointed 5 December 2016)
Company secretary	Mr E J Bence
Registered number	04899624
Registered office	Chy Nyverow Newham Road Cornwall TR1 2DP
Independent auditors	Bishop Fleming LLP Chartered Accountants & Statutory Auditors Chy Nyverow Newham Road Truro Cornwall TR1 2DP

EDWARD BENCE HOTELS LIMITED

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EDWARD BENCE HOTELS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present their report and the financial statements for the year ended 31 October 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Mr Edward John Bence
Mrs S E Bence

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 the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the 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 and the Group's auditors are aware of that information.

Auditors

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

EDWARD BENCE HOTELS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016**

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

A handwritten signature in black ink, appearing to be 'EJB', written over a horizontal line.

Mr Edward John Bence
Director

Date: 19 July 2017

Chy Nyverow
Newham Road
Cornwall
TR1 2DP

EDWARD BENCE HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDWARD BENCE HOTELS LIMITED

We have audited the financial statements of Edward Bence Hotels Limited for the year ended 31 October 2016, set out on pages 5 to 19. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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 on page 1, 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 Financial Reporting Council'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 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 Group's and the parent Company's affairs as at 31 October 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

EDWARD BENCE HOTELS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDWARD BENCE HOTELS LIMITED
(CONTINUED)**

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.



Alison Oliver FCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

24 July 2017

EDWARD BENCE HOTELS LIMITED

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Note	2016 £	2015 £
Turnover		3,406,352	3,228,028
Cost of sales		(762,074)	(742,641)
Gross profit		2,644,278	2,485,387
Administrative expenses		(2,281,155)	(2,174,966)
Operating profit		363,123	310,421
Interest receivable and similar income		75	54
Interest payable and expenses		(64,714)	(67,629)
Profit before tax		298,484	242,846
Tax on profit		(68,162)	(63,700)
Profit after tax		230,322	179,146
Retained earnings at the beginning of the year		2,389,056	2,217,310
		2,389,056	2,217,310
Profit for the year attributable to the owners of the parent		230,322	179,146
Dividends declared and paid		(13,000)	(7,400)
Retained earnings at the end of the year		2,606,378	2,389,056
Non-controlling interest at the end of the year			

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 8 to 19 form part of these financial statements.


EDWARD BENCE HOTELS LIMITED
REGISTERED NUMBER:04899624

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	4	6,156	10,516
Tangible assets	5	3,797,351	3,785,460
		<u>3,803,507</u>	<u>3,795,976</u>
Current assets			
Stocks	7	42,185	48,454
Debtors	8	147,161	94,436
Cash at bank and in hand	9	842,692	859,697
		<u>1,032,038</u>	<u>1,002,587</u>
Creditors: amounts falling due within one year	10	(627,969)	(738,168)
Net current assets		<u>404,069</u>	<u>264,419</u>
Total assets less current liabilities		<u>4,207,576</u>	<u>4,060,395</u>
Creditors: amounts falling due after more than one year	11	(1,500,156)	(1,589,262)
Provisions for liabilities			
Deferred tax	13	(100,842)	(81,877)
		<u>(100,842)</u>	<u>(81,877)</u>
Net assets		<u><u>2,606,578</u></u>	<u><u>2,389,256</u></u>
Capital and reserves			
Called up share capital		200	200
Profit and loss account		2,606,378	2,389,056
		<u><u>2,606,578</u></u>	<u><u>2,389,256</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Mr Edward John Bence
 Director

Date: 19 July 2017

The notes on pages 8 to 19 form part of these financial statements.


EDWARD BENCE HOTELS LIMITED
REGISTERED NUMBER:04899624

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	6	1,179,292	1,179,292
		<u>1,179,292</u>	<u>1,179,292</u>
Current assets			
Debtors	8	255,735	187,035
Cash at bank and in hand	9	124,861	203,712
		<u>380,596</u>	<u>390,747</u>
Creditors: amounts falling due within one year	10	(578,828)	(585,965)
Net current liabilities		<u>(198,232)</u>	<u>(195,218)</u>
Total assets less current liabilities		<u>981,060</u>	<u>984,074</u>
Net assets excluding pension asset		<u>981,060</u>	<u>984,074</u>
Net assets		<u><u>981,060</u></u>	<u><u>984,074</u></u>
Capital and reserves			
Called up share capital		200	200
Profit and loss account brought forward		970,874	979,442
Profit for the year		9,986	4,432
		<u>980,860</u>	<u>983,874</u>
Profit and loss account carried forward		<u><u>981,060</u></u>	<u><u>984,074</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Mr Edward John Bence
 Director

Date: 19 July 2017

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. General information

Edward Bence Hotels Limited is a company incorporated in England, its registered office is C/O Bishop Fleming, Chy Nyverow, Newham Road, Truro, Cornwall, TR1 2DP. The company's principal activity during the year was that of hotel ownership and management.

2. Accounting policies

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being

2. Accounting policies (continued)

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of income and retained earnings over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

2. Accounting policies (continued)

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 15% reducing balance
Motor vehicles	- 20%- 25% reducing balance
Fixtures and fittings	-

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of income and retained earnings.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.11 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.13 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of income and retained earnings in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)

2.14 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 96 (2015: 93).

EDWARD BENCE HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

4. Intangible assets

Group and Company

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 November 2015	150,000	(12,808)	137,192
At 31 October 2016	150,000	(12,808)	137,192
Amortisation			
At 1 November 2015	135,000	(8,324)	126,676
Charge for the year	5,000	(640)	4,360
At 31 October 2016	140,000	(8,964)	131,036
Net book value			
At 31 October 2016	10,000	(3,844)	6,156
At 31 October 2015	15,000	(4,484)	10,516

EDWARD BENCE HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

5. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 November 2015	4,578,850	593,360	25,856	559,355	5,757,421
Additions	70,000	68,435	5,000	31,509	174,944
Disposals	-	(3,905)	-	-	(3,905)
At 31 October 2016	4,648,850	657,890	30,856	590,864	5,928,460
Depreciation					
At 1 November 2015	1,137,771	374,530	11,526	448,134	1,971,961
Charge for the year on owned assets	90,369	43,751	4,832	21,036	159,988
Disposals	-	(840)	-	-	(840)
At 31 October 2016	1,228,140	417,441	16,358	469,170	2,131,109
Net book value					
At 31 October 2016	3,420,710	240,449	14,498	121,694	3,797,351
At 31 October 2015	3,441,079	218,830	14,330	111,221	3,785,460

Included in land and buildings is freehold land at valuation of £135,000 (2015: £135,000), (cost £135,000) (2015 £135,000) which is not depreciated.

6. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Berry Head Hotel Limited	Ordinary	100 %	Hotel and Leisure Club
Hannafore Point Limited	Ordinary	100 %	Hotel and Leisure Club

The results of the above subsidiaries are included in the consolidated accounts.

EDWARD BENCE HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

6. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2015	1,179,292
At 31 October 2016	<u>1,179,292</u>
Net book value	
At 31 October 2016	<u>1,179,292</u>
At 31 October 2015	<u>1,179,292</u>

7. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Finished goods and goods for resale	42,185	48,454	-	-
	<u>42,185</u>	<u>48,454</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

EDWARD BENCE HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

8. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Due after more than one year				
Deferred tax asset	-	-	6,735	6,735
Due within one year				
Trade debtors	35,536	56,244	-	-
Amounts owed by group undertakings	-	-	180,000	180,000
Other debtors	69,875	1,175	69,000	300
Prepayments and accrued income	41,750	37,017	-	-
	147,161	94,436	255,735	187,035

9. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	842,692	859,697	124,861	203,712
Less: bank overdrafts	(35,417)	(148,003)	-	-
	807,275	711,694	124,861	203,712

10. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	35,417	148,003	-	-
Bank loans	67,521	58,108	-	-
Trade creditors	126,735	149,389	-	-
Amounts owed to group companies	-	-	572,529	579,666
Corporation tax	49,163	39,285	-	-
Other taxation and social security	190,247	184,211	-	-
Obligations under finance lease and hire purchase contracts	10,206	13,625	-	-
Other creditors	121,797	117,268	-	-
Accruals and deferred income	26,883	28,279	6,299	6,299
	627,969	738,168	578,828	585,965

EDWARD BENCE HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

11. Creditors: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	1,343,302	1,418,127	-	-
Net obligations under finance leases and hire purchase contracts	-	312	-	-
Other creditors	156,854	170,823	-	-
	<u>1,500,156</u>	<u>1,589,262</u>	<u>-</u>	<u>-</u>

12. Loans

Bank loans are secured by the company.

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Bank loans	67,521	58,108	-	-
	<u>67,521</u>	<u>58,108</u>	<u>-</u>	<u>-</u>
Amounts falling due 2-5 years				
Bank loans	1,343,302	1,418,127	-	-
	<u>1,343,302</u>	<u>1,418,127</u>	<u>-</u>	<u>-</u>
	<u>1,410,823</u>	<u>1,476,235</u>	<u>-</u>	<u>-</u>

13. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	(81,877)	(57,499)
Charged to profit or loss	(18,965)	(24,378)
At end of year	<u>(100,842)</u>	<u>(81,877)</u>

EDWARD BENCE HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

13. Deferred taxation (continued)

Company

	2016 £	2015 £
At beginning of year	6,735	6,735
At end of year	6,735	6,735
	Group 2016 £	Group 2015 £
Accelerated capital allowances	(113,508)	(106,346)
Tax losses carried forward	12,666	24,469
	(100,842)	(81,877)

14. Share capital

	2016 £	2015 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
200 Ordinary shares of £1 each	200	200

15. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £5,637 (2015: £3,342).

16. Related party transactions

Included in other creditors due in over 1 year is £99,949 (2015: £118,750) due to Mr E J Bence, a director of the group. Interest is charged on £150,000 of this loan at 10% per annum, with the remaining balance being interest-free. It has been agreed that this amount will not be repaid until after the group has repaid its bank loans. During the year, the group paid rent to Mr E J Bence totalling £nil (2015: £1,000).

Included within other creditors due in over 1 year is £51,322 (2015: £44,822) due to Mrs S E Bence, a director of the group. Interest is charged on this loan at 10% per annum.

Included within other debtors is £59,000 (2015: £300) which is due from Edward Bence Property Limited, a company in which Mr E J Bence Jr is a director. During the year, rent of £5,400 (2015: £nil) was paid to Edward Bence Property Limited.

EDWARD BENCE HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

17. Controlling party

The controlling party is Mr E J Bence by virtue of his shareholding.

18. First time adoption of FRS 102

On transition to FRS 102 on 1 November 2014 debtors due after more than one year of £180,000 and creditors due after more than one year of £576,803 on the company's balance sheet were reclassified as due within one year. The debtor balance reclassified at 31 October 2015 was £180,000 and the creditor balance was £579,666.

There were no other material differences in accounting policies on the transition to FRS 102.