

EDWARD BENCE HOTELS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

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

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 5
Consolidated statement of income and retained earnings	6
Consolidated statement of financial position	7
Company statement of financial position	8
Notes to the financial statements	9 - 20

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017**

The directors present their report and the financial statements for the year ended 31 October 2017.

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
Mr Edward James Bence (appointed 5 December 2016)
Mrs L Chamings (appointed 5 December 2016)

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 2017**

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

Mr Edward John Bence
Director

Date: 25 July 2018

Chy Nyverow
Newham Road
Cornwall
TR1 2DP

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

OPINION

We have audited the financial statements of Edward Bence Hotels Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2017, which comprise the Group Statement of income and retained earnings, the Group and Company Statements of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 October 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.

Robert Davey FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

30 July 2018

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Note	2017 £	2016 £
Turnover		3,423,323	3,406,352
Cost of sales		(807,274)	(762,074)
GROSS PROFIT		2,616,049	2,644,278
Administrative expenses		(2,350,325)	(2,281,155)
OPERATING PROFIT		265,724	363,123
Interest receivable and similar income		-	75
Interest payable and expenses		(57,357)	(64,714)
PROFIT BEFORE TAX		208,367	298,484
Tax on profit		(56,755)	(68,162)
PROFIT AFTER TAX		151,612	230,322
Retained earnings at the beginning of the year		2,606,378	2,389,056
		2,606,378	2,389,056
Profit for the year attributable to the owners of the parent		151,612	230,322
Dividends declared and paid		(18,750)	(13,000)
RETAINED EARNINGS AT THE END OF THE YEAR		2,739,240	2,606,378

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 9 to 20 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017**

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible assets	4	1,796	6,156
Tangible assets	5	3,868,209	3,797,351
		<u>3,870,005</u>	<u>3,803,507</u>
CURRENT ASSETS			
Stocks	7	47,572	42,185
Debtors	8	136,159	147,161
Cash at bank and in hand	9	873,576	842,692
		<u>1,057,307</u>	<u>1,032,038</u>
Creditors: amounts falling due within one year	10	(647,287)	(627,969)
		<u>410,020</u>	<u>404,069</u>
NET CURRENT ASSETS			
		<u>4,280,025</u>	<u>4,207,576</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	11	(1,425,146)	(1,500,156)
PROVISIONS FOR LIABILITIES			
Deferred tax	13	(115,439)	(100,842)
		<u>(115,439)</u>	<u>(100,842)</u>
NET ASSETS			
		<u><u>2,739,440</u></u>	<u><u>2,606,578</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	200	200
Profit and loss account		2,739,240	2,606,378
		<u><u>2,739,440</u></u>	<u><u>2,606,578</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: 25 July 2018

The notes on pages 9 to 20 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Investments	6	1,179,292	1,179,292
		<u>1,179,292</u>	<u>1,179,292</u>
CURRENT ASSETS			
Debtors	8	254,725	255,735
Cash at bank and in hand	9	124,769	124,861
		<u>379,494</u>	<u>380,596</u>
Creditors: amounts falling due within one year	10	(581,822)	(578,828)
		<u>(202,328)</u>	<u>(198,232)</u>
NET CURRENT LIABILITIES			
		<u>976,964</u>	<u>981,060</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>976,964</u>	<u>981,060</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	14	200	200
Profit and loss account brought forward		980,860	983,874
Profit for the year		14,654	9,986
Other changes in the profit and loss account		(18,750)	(13,000)
		<u>976,764</u>	<u>980,860</u>
Profit and loss account carried forward		<u>976,964</u>	<u>981,060</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: 25 July 2018

The notes on pages 9 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

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 01 November 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

2. ACCOUNTING POLICIES (continued)

2.5 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.

2.6 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.

The estimated useful lives range as follows:

Goodwill - 20 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. ACCOUNTING POLICIES (continued)

2.7 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	-	10%-20% reducing balance

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.

2.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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.

2.11 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.

2.12 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)

2.13 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.

2.14 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.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 96 (2016: 96).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

4. INTANGIBLE ASSETS

Group

	Goodwill £	Negative goodwill £	Total £
COST			
At 1 November 2016	150,000	(12,808)	137,192
At 31 October 2017	150,000	(12,808)	137,192
AMORTISATION			
At 1 November 2016	140,000	(8,964)	131,036
Charge for the year	5,000	(640)	4,360
At 31 October 2017	145,000	(9,604)	135,396
NET BOOK VALUE			
At 31 October 2017	5,000	(3,204)	1,796
At 31 October 2016	10,000	(3,844)	6,156

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

5. TANGIBLE FIXED ASSETS

Group

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 November 2016	4,648,850	657,890	30,856	590,864	5,928,460
Additions	92,149	52,334	44,400	67,104	255,987
Disposals	(1,330)	(8,244)	-	-	(9,574)
At 31 October 2017	4,739,669	701,980	75,256	657,968	6,174,873
DEPRECIATION					
At 1 November 2016	1,228,140	417,441	16,358	469,170	2,131,109
Charge for the year on owned assets	92,123	43,052	14,724	28,295	178,194
Disposals	(165)	(2,474)	-	-	(2,639)
At 31 October 2017	1,320,098	458,019	31,082	497,465	2,306,664
NET BOOK VALUE					
At 31 October 2017	3,419,571	243,961	44,174	160,503	3,868,209
At 31 October 2016	3,420,710	240,449	14,498	121,694	3,797,351

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

6. FIXED ASSET INVESTMENTS (CONTINUED)

Company

Investments in
subsidiary
companies
£

COST OR VALUATION

At 1 November 2016 1,179,292

At 31 October 2017 1,179,292

NET BOOK VALUE

At 31 October 2017 1,179,292

At 31 October 2016 1,179,292

7. STOCKS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Finished goods and goods for resale	47,572	42,185	-	-
	<u>47,572</u>	<u>42,185</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

8. DEBTORS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
DUE AFTER MORE THAN ONE YEAR				
Deferred tax asset	-	-	5,725	6,735
DUE WITHIN ONE YEAR				
Trade debtors	22,660	35,536	-	-
Amounts owed by group undertakings	-	-	180,000	180,000
Other debtors	70,875	69,875	69,000	69,000
Prepayments and accrued income	42,624	41,750	-	-
	136,159	147,161	254,725	255,735

9. CASH AND CASH EQUIVALENTS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	873,576	842,692	124,769	124,861
Less: bank overdrafts	(11,951)	(35,417)	-	-
	861,625	807,275	124,769	124,861

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts	11,951	35,417	-	-
Bank loans	70,642	67,521	-	-
Trade creditors	131,132	126,735	-	-
Amounts owed to group companies	-	-	575,496	572,529
Corporation tax	42,124	49,163	-	-
Other taxation and social security	207,370	190,247	-	-
Obligations under finance lease and hire purchase contracts	-	10,206	-	-
Other creditors	153,140	121,797	-	-
Accruals and deferred income	30,928	26,883	6,326	6,299
	647,287	627,969	581,822	578,828

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	1,269,349	1,343,302	-	-
Other creditors	155,797	156,854	-	-
	<u>1,425,146</u>	<u>1,500,156</u>	<u>-</u>	<u>-</u>

12. LOANS

Bank loans are secured by the company.

	Group 2017 £	Group 2016 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	70,642	67,521
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	1,269,349	1,343,302
	<u>1,339,991</u>	<u>1,410,823</u>

13. DEFERRED TAXATION

Group

	2017 £	2016 £
At beginning of year	(100,842)	(81,877)
Charged to profit or loss	(14,597)	(18,965)
AT END OF YEAR	<u>(115,439)</u>	<u>(100,842)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

13. DEFERRED TAXATION (CONTINUED)

Company

	2017 £	2016 £
At beginning of year	6,735	6,735
Charged to profit or loss	(1,010)	-
AT END OF YEAR	5,725	6,735
	Group 2017 £	Group 2016 £
Accelerated capital allowances	(125,722)	(113,508)
Tax losses carried forward	10,283	12,666
	(115,439)	(100,842)

14. SHARE CAPITAL

	2017 £	2016 £
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 £6,341 (2016: £5,637).

16. RELATED PARTY TRANSACTIONS

Included in other creditors due in over 1 year is £97,750 (2016: £99,949) due to Mr E J Bence, a director of the group. Interest is charged on this loan at 10% per annum. It has been agreed that this amount will not be repaid until after the group has repaid its bank loans.

Included within other creditors due in over 1 year is £54,166 (2016: £51,322) due to Mrs S E Bence, a director of the company. Interest is charged on this loan at 10% per annum.

Included within other debtors is £69,000 (2016: £69,000) 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 £7,200 (2016: £5,400) was paid to Edward Bence Property Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

17. CONTROLLING PARTY

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

18. FINANCIAL GUARANTEE

The company and its subsidiary undertakings have total bank loans amounting to £1,339,991 (2016: £1,410,823) which are secured on the assets of the group as a whole.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.