Report of the Directors and

Audited Financial Statements

for the year ended 30 April 2016

for

A F Scott and Company (Hoteliers) Limited

Directors	A Scott Mrs D W Scott C W Scott E C Scott M A F Scott Mrs K M Ryan D C Ryan Mrs C O Scott Mrs A Scott
Registered Office	46 Wellmeadow Blairgowrie Perthshire PH10 6NH
Registered Number	SC062684 (Scotland)
Auditors	MMG Archbold Statutory Auditor Chapelshade House 78-84 Bell Street Dundee DD1 1RQ
Bankers	HSBC Bank Plc 76 Hanover Street Edinburgh EH2 1HQ

The directors present their strategic report for the year ended 30 April 2016.

Review of the business

The principle activity of the company in the year under review was that of operating and running a hotel.

Results and performance

During the year ended 30 April 2016 turnover decreased by 15% from £1,958,112 to £1,663,774. Operating profit increased to £336,619 against £291,176 in the prior year.

Principle risk and uncertainties

The Company is subject to changes in both supplier and consumer markets as well as the economic climate which drives cost of production and customer spending patterns. In seeking to minimise its exposure to these risks the Company's management continually reviews its policies in respect to sourcing, customer engagement and retention.

It is company policy that customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis, which results in the Company's exposure to bad debts being insignificant.

Key performance indicators

In reviewing the company's performance, management regularly consider and review the company's working capital requirements and overall profitability for each trading period.

On behalf of the board:

E C Scott - Director
Date: 30 January 2017

The directors present their report with the financial statements of the company for the year ended 30 April 2016.

Dividends
No dividends will be distributed for the year ended 30 April 2016.

Future developments
The directors intend to continue the development of the business and are of the opinion that the company is well placed to take advantage of future opportunities as they arise.

Directors
The directors during the year under review were:

A Scott
Mrs D W Scott
C W Scott
E C Scott
M A F Scott
Mrs K M Ryan
D C Ryan
Mrs C O Scott
Mrs A Scott

Strategic information
The review of business and principal risks and uncertainties are not shown in the report of the directors as they are now shown in the strategic report under section 414C(11).

Statement of directors' responsibilities
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have prepared 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 each person who was a director at the date of approving this report is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) being information needed by the auditor in connection with preparing its report, of which the company's auditors are unaware. Having made enquiries of fellow directors, and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors
The auditors, MMG Archbold, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board

E C Scott - Director

Date: 30 January 2017

We have audited the financial statements of A F Scott and Company (Hoteliers) Limited for the year ended 30 April 2016 on pages 7 to 25. 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), 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 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 pages 4-5, 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 April 2016 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.

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.

Paul Crichton BAcc CA CTA (Senior Statutory Auditor) for and on behalf of MMG Archbold

Statutory Auditor
Chapelshade House
78-84 Bell Street
Dundee
DD1 1RQ
Date: 30 January 2017

	Notes	2016 £	2016 £	2015 £	2015 £
Turnover			1,663,774		1,958,112
Cost of sales			(922,094)		(1,094,547)
GROSS PROFIT			**741,680**		**863,565**
Administrative expenses			(621,166)		(784,572)
			120,514		78,993
Other operating income			216,105		212,183
OPERATING PROFIT	3		**336,619**		**291,176**
Interest receivable and similar income	4		-		11,880
Interest payable and similar charges	4		(9,763)		(24,025)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX			**326,856**		**279,031**
Tax on profit on ordinary activities	5		65,979		(150,957)
PROFIT FOR THE FINANCIAL YEAR			**392,835**		**128,074**

	Notes	2016 £	2016 £	2015 £	2015 £
PROFIT FOR THE FINANCIAL YEAR			392,835		128,074
Other comprehensive income			-		-
Total tax on components of other comprehensive income					
			-		-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			392,835		128,074

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Tangible assets	6		3,107,028		2,364,644
Investment property	7		3,299,023		3,299,023
			6,406,051		5,663,667
CURRENT ASSETS					
Stocks	8	10,452		11,872	
Debtors	9	142,217		110,766	
Cash at bank and in hand		11,084		684,248	
		163,753		806,886	
CREDITORS					
Amounts falling due within one year	10	(591,682)		(853,404)	
NET CURRENT LIABILITIES			(427,929)		(46,518)
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,978,122**		**5,617,149**
CREDITORS					
Amounts falling due after one year	11		(3,186)		(6,107)
Provision for liabilities	13		(661,426)		(690,367)
NET ASSETS			**5,313,510**		**4,920,675**
CAPITAL & RESERVES					
Called up share capital	15		214,000		214,000
Revaluation reserve			3,227,044		3,227,044
Profit and loss account			1,872,466		1,479,631
SHAREHOLDERS' FUNDS			**5,313,510**		**4,920,675**

The financial statements on page 7 to 27 were authorised for issue by the Board of Directors on 30 January 2017 and were signed on its behalf:

E C Scott
Director

Statement of changes in equity	Notes	Called-up share capital £	Revaluation reserve £	Retained earnings £	Total £
Balance as at 1 May 2014		**214,000**	**3,227,044**	**1,351,557**	**4,792,601**
Profit for the year		-	-	128,074	128,074
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	128,074	128,074
Balance at 30 April 2015		**214,000**	**3,227,044**	**1,479,631**	**4,920,675**
Profit for the year		-	-	392,835	392,835
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	392,835	392,835
Balance at 30 April 2016		**214,000**	**3,227,044**	**1,872,466**	**5,313,510**

	Notes	2016 £	2016 £	2015 £	2015 £
Net cash from operating activities	19		**309,064**		**357,072**
Taxation paid			(63,117)		(30,409)
Cash flow from investing activities					
Purchase of tangible assets		**(792,081)**		(17,658)	
Proceeds from disposals of tangible assets		**5,508**		1,096,314	
Net cash used in investing activities			(786,573)		**1,078,656**
Cash flow from financing activities					
Directors' loan repayments		(118,354)		(731,569)	
Intercompany loans		(1,500)		(2,679)	
Interest received		-		11,880	
Hire purchase loan repayment		(2,921)		(3,451)	
Interest paid		(9,763)		(24,025)	
Net cash used in financing activities			**(132,538)**		**(749,844)**
Net increase/(decrease) in cash and cash equivalents			**(673,164)**		**655,475**
Cash and cash equivalent at the beginning of the year			684,248		28,773
Exchange gains/(losses) on cash and cash equivalents			-		-
Cash and cash equivalents at the end of the year			**11,084**		**684,248**
Cash and cash equivalents consists of:					
Cash at bank and in hand			11,084		684,248
Short term deposits			-		-
Cash and cash equivalents			**11,084**		**684,248**

1. ACCOUNTING POLICIES

General Information

A F Scott and Company (Hoteliers) Limited ('the Company) own and operate a hotel business.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The company is a private company limited by shares and is incorporated in Scotland. The address of the registered office is Yard Road, Blairgowrie, PH106NW.

Statement of compliance

The financial statements of A F Scott and Company (Hoteliers) Limited have been prepared in compliance with United Kingdom Accounting Standard, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Details of the transition to FRS 102 are disclosed in Note 20.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(b) Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

(i) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;

(ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- Revenue from the hotel comprises amounts earned in respect of services, facilities and goods supplied by the hotel. Revenue from the rendering of services is recognised when services are performed, provided that the amount can be measured reliably. Revenue from the sale of goods is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

- Receipts under operating leases are accounted for on an accrual basis over the lease terms.
- Leisure club income is recognised on an amounted basis over the membership period.

(iii) Interest income

Interest income is recognised using the effective interest rate method.

(d) Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.
(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(e) Tangible fixed assets
Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

(i) Tenant improvements, fixtures and fittings and motor vehicles
Tenant improvements, fixtures and fittings and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation and residual values
Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Tenant's improvements	-	25% on cost
Plant and machinery	-	25% on cost
Motor vehicles	-	20% on cost

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(iii) Subsequent additions and major components
Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(iv) Derecognition
Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

(f) Investment property
Certain of the company's properties are held for long-term investment. Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account accumulated in the profit and loss reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

(g) Leased assets
At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Finance leased assets

Leases of asset that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Companies incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life od the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

(ii) Operating leased assets
The company has entered into commercial property leases as lessor on its investment property portfolio. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks

and rewards of ownership of these assets. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(i) Impairment of non-financial assets
At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

(j) Inventories
Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on standard cost method. Cost includes the purchase price, including taxes and duties together with transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

(k) Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

***(l)* Provisions and contingencies**
(i) Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

In particular:
(i) Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies
Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(m) Financial Instruments
The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii)Financial liabilities
Basic financial liabilities, including trade and other payables, bank loans, loans from fellow associated companies that are classified as debt, are initially recognised at transaction price, unless the arrangement

constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payable are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging agreement.

Finance liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(n) Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

***(o)* Distributions to equity holders**
Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

***(p)* Related party transactions**
The Company discloses transactions with related parties which are not wholly owned within the same Company. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company has made the following critical accounting judgements and estimates which could materially impact the financial statements:

At each balance sheet date the Company evaluates the carrying value of investment property and heritable property and taking into consideration the current market value of properties. The actual value of the investment property and heritable property may differ from the estimated levels and could impact on the future operating results positively or negatively.

3. OPERATING PROFIT

	2016	2015
	£	£
Operating profit is stated after charging		
Wages and salaries	689,263	785,366
Social security costs	23,117	46,147
Other pension costs	3,976	3,316
Total staff costs	**716,356**	**834,829**
Depreciation – owned assets	46,468	57,176
Depreciation – assets on hire purchase contracts	3,230	3,230
(Profit)/loss on disposal of fixed assets	(5,508)	19,208
Auditors' remuneration	4,850	3,720
Directors' remuneration and other benefits	150,635	152,704

	No.	No.
Directors	9	9
Management and administration	6	6
Operational	42	58
	57	73

4. NET INTEREST EXPENSE

	£	£
(a) Interest receivable and similar income		
Other interest	-	11,880
(b) Interest payable and similar charges:		
Finance charge	9,763	24,025
(c) Net interest expense		
Interest receivable and similar income	-	11,880
Interest payable and similar charges	(9,763)	(24,025)
Net interest expense	**(9,763)**	**(12,145)**

5. TAXATION

(a) Tax expense included in profit or loss

	2016 £	2015 £
Current tax:		
UK Corporation tax on profits for the year	(37,039)	63,117
Adjustment in respect of prior periods	-	6
Total current tax	(37,039)	63,123
Deferred tax:		
Origination and reversal of timing differences	(28,940)	87,834
Adjustment in respect of prior periods	-	-
Total deferred tax	(28,940)	87,834
Tax on profit/(loss) on ordinary activities	(65,979)	150,957

(b) Tax (expense) included in other comprehensive income

	2016 £	2015 £
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax (expense) included in other comprehensive income	-	-

(c) Reconciliation of tax charge

Tax assessed for the period is lower (2015: higher) than the standard rate of corporation tax in the UK for the year ended 30 April 2016 of 20% (2015: 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	326,856	279,031
Profit multiplied by the standard rate of tax in the UK of 20%	65,371	55,806
Effects of:		
Expenses not deductible for tax purposes	(11,765)	-
Capital allowances in excess of depreciation	(90,645)	-
Depreciation in excess of capital allowances	-	12,942
Differences in marginal rates of taxation	-	(2,610)
Loss on disposal non qualifying assets	-	(3,015)
Tax charge for the year	**(37,039)**	**63,123**

6. TANGIBLE FIXED ASSETS

	Heritable property £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 30 April 2015	2,250,000	-	412,537	20,592	2,683,129
Additions	-	786,981	5,101	-	792,082
Disposals	-	-	(132,157)	-	(132,157)
At 30 April 2016	**2,250,000**	**786,981**	**285,481**	**20,592**	**3,343,054**
Depreciation					
At 30 April 2015	-	-	310,671	7,814	318,485
Charge for the year	-	-	44,372	5,326	49,698
Eliminated on disposals	-	-	(132,157)	-	(132,157)
At 30 April 2016	**-**	**-**	**222,886**	**13,140**	**236,026**
Net Book Value 30 April 2016	**2,250,000**	**786,981**	**62,595**	**7,452**	**3,107,028**
Net Book Value 30 April 2015	2,250,000	-	101,866	12,778	2,364,644

If heritable properties had not been revalued they would have been included at the following historical cost:

	2016 £	2015 £
Cost	**1,056,615**	**1,056,615**

Heritable property was valued on an open market basis on 4 July 2012 by Messrs Graham Sibbald and in 2016 by the directors.

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

	Motor Vehicles
COST OR VALUATION	
At 1 May 2015 and 30 April 2016	12,974
DEPRECIATION	
At 1 May 2015	3,230
Charge for the year	3,230
	6,460
NET BOOK VALUE	
30 April 2016	**6,514**
30 April 2015	9,744

7. INVESTMENT PROPERTY

	2016	2015
	£	£
Valuation at year end	3,299,023	3,299,023

If investment properties had not been revalued they would have been included at the following historical cost:

	2016	2015
	£	£
Cost	1,265,364	1,265,364

Investment properties were valued on an open market value basis on 30 April 2016 by the directors.

8. INVENTORIES

	2016	2015
	£	£
Goods for resale	10,452	11,872

There is no significant difference between the replacement cost of the inventory and its carrying amount

Inventories are stated after provisions for impairment of £Nil (2015: £ Nil)

9. DEBTORS

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	99,517	75,623
Amounts due from associated companies	26,084	24,584
Prepayments and accrued income	16,616	10,559
	142,217	110,766

Trade debtors includes £ Nil (2015: £ Nil) falling due after more than one year.

Trade debtors are stated after provisions for bad debts of £Nil (2015: £1,486)

Amounts owed by associated companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. CREDITORS: amounts falling due within one year

	Note	2016	2015
		£	£
Hire purchase contracts	12	3,186	3,186
Trade creditors		141,364	90,610
Corporation tax payable		(37,039)	63,117
Social security and other taxes		39,099	76,648
Other creditors		295	7,213
Directors' current accounts		345,211	463,565
Accruals and deferred income		99,566	149,065
		591,682	853,404

11. CREDITORS: amounts falling due in more than one year

	Notes	2016	2015
		£	£
Hire purchase contracts	12	3,186	6,107

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	Notes	2016	2015
		£	£
Within one year	10	3,186	3,186
Between two and five years	11	3,186	6,107
		6,372	9,293

13. PROVISION FOR LIABILITIES

Company
The Company had the following provisions during the year

	Deferred tax provision
	£
At 1 May 2015	690,367
Additions dealt with in profit or loss	(28,941)
Additions dealt with in other comprehensive income	-
At 30 April 2016	**661,426**

The provision for deferred tax consists of the following deferred tax liabilities/(assets)

	2016	2015
	£	£
Deferred tax (asset)	90,645	-
Deferred tax liability	(752,071)	(690,367)
	(661,426)	**(690,367)**

14. FINANCIAL INSTRUMENTS

	Note	2016	2015
		£	£
Financial assets at fair value through profit or loss	9	-	-
Financial assets that are debt instruments measured at amortised cost:			
- Trade receivables	9	99,517	75,623
- Other receivables	9	16,616	10,559
		116,133	**86,182**
Financial liabilities measured at amortised cost			
- Trade creditors	10	141,364	90,610
- Accruals and deferred income	10	99,566	149,065
		240,930	**239,675**
Financial assets at fair value through profit or loss	12	-	-

15. SHARE CAPITAL

	Number	£
At 1 May 2015 and 30 April 2016	**214,000**	**214,000**

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

16. CAPITAL AND OTHER COMMITMENTS

At 30 April 2016, the Company had no capital commitments (2015: Nil)

17. CONTINGENT LIABILITIES

The company is party to a multilateral guarantee arrangement with its bankers, under which it has provided a guarantee in respect of all bank borrowings of Dameck Holdings Limited, Ardblair Sports Importers Limited, A F Scott & Co (Hoteliers) Limited, GLD Retail Limited and A F Scott & Company (Hoteliers) Limited. The combined net borrowings of each of these companies amounted to £Nil at 30 April 2016 (2015 - £Nil).

18. RELATED PARTY DISCLOSURES

	2016	2015
C W Scott		
Director	£	£
Amount due to related party at the balance sheet date	135,853	135,853
Mrs A Scott		
Director		
Amount due from related party at the balance sheet date	446	117,909
Mrs K M Ryan		
Director		
Amount due to related party at the balance sheet date	117,402	117,402
Mrs C Scott		
Director		
Amount due to related party at the balance sheet date	92,402	92,402

19. NOTES TO THE CASH FLOW STATEMENT

	2016	2015
	£	£
Profit for the financial year	**392,835**	**128,074**
Adjustments for:		
Tax on profit on ordinary activities	(65,979)	150,957
Net interest expense	9,763	12,145
Operating profit	**336,619**	**291,176**
(Gain)/loss on sale	(5,508)	19,208
Depreciation of tangible assets	49,697	60,406
Bad debt provision	(1,486)	(983)
Working capital movements:		
- (increase)/decrease in inventories	1,420	13,249
- (increase)/decrease in debtors	(22,408)	3,495
- (increase)/decrease in prepayments	(6,057)	(8,268)
- Increase/(decrease) in payables	(14,391)	47,909
- Increase/(decrease) in customer deposits	(28,821)	(69,120)
Cash flow from operating activities	**309,064**	**357,072**

20. TRANSITION TO FRS 102

This is the first year the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 30 April 2015. The date of transition to FRS 102 was 1 May 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 30 April 2015 and the total equity as at 1 May 2014 and 30 April 2015 between UK GAAP as previously reported and FRS 102.

		At 1 May 2014			At 30 April 2015		
	Notes	As previously stated	Effects of transition	FRS 102 (as restated)	As previously stated	Effects of transition	FRS102 (as restated)
Fixed Assets							
Tangible assets		3,522,914	-	3,522,914	2,364,644	-	2,364,644
Investment property		3,299,023	-	3,299,023	3,299,023	-	3,299,023
		6,821,937	-	6,821,937	5,663,667	-	5,663,667
Current Assets							
Stocks		25,121	-	25,121	11,872	-	11,872
Debtors		102,331	-	102,331	110,766	-	110,766
Cash at bank and in hand		34,765	-	34,765	684,248	-	684,248
Creditors							
Amounts falling due within one year		(1,579,462)	-	(1,579,462)	(853,404)	-	(853,404)
Net Current Liabilities		(1,417,245)	-	(1,417,245)	(46,518)	-	(46,518)
Amounts falling due in more than one year		(9,558)	-	(9,558)	(6,107)	-	(6,107)
Provision for liabilities	A	(56,689)	(545,844)	(602,533)	(44,958)	(645,409)	(690,367)
Net Assets		5,338,445	(545,844)	4,792,601	5,566,084	(645,409)	4,920,675
Capital & Reserves							
Called up share capital		214,000	-	214,000	214,000	-	214,000
Revaluation reserve		3,227,044	-	3,227,044	3,227,044	-	3,227,044
Profit and loss account		1,897,401	(545,844)	1,351,557	2,125,040	(645,409)	1,479,631
Shareholders' funds		5,338,445	(545,844)	4,792,601	5,566,084	(645,609)	4,920,675

20. TRANSITION TO FRS 102 (continued)

	Notes	At 1 May 2014			At 30 April 2015		
		As previously stated	Effects of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS102 (as restated)
Turnover		1,984,681	-	1,984,681	1,954,186	-	1,954,186
Cost of sales		(1,144,281)	-	(1,144,281)	(1,081,360)	-	(1,081,360)
GROSS PROFIT		**840,400**	-	**840,400**	**872,826**	-	**872,826**
Administrative expenses		(905,905)	-	(905,905)	(793,833)	-	(793,833)
		(65,505)	-	**(65,505)**	**78,993**	-	**78,993**
Other operating income		220,264	-	220,264	212,183	-	212,183
OPERATING PROFIT		**154,759**	-	**154,759**	**291,176**	-	**291,176**
Realisation of fixed assets		(548,057)	-	(548,057)	-	-	-
Interest receivable		-	-	-	11,880	-	11,880
Interest payable		(25,314)	-	(25,314)	(24,025)	-	(24,025)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		**(418,612)**	-	**(418,612)**	**279,031**	-	**279,031**
Tax on profit on ordinary activities	A	(26,308)	(545,844)	(572,152)	(51,392)	(99,565)	(150,957)
PROFIT FOR THE FINANCIAL YEAR		**(444,920)**	**(545,844)**	**(990,764)**	**227,639**	**(99,565)**	**128,074**
Other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		**(444,920)**	**(55,844)**	**(990,764)**	**227,639**	**(99,565)**	**128,074**

A Deferred tax

The company has accounted for deferred taxation on transition reflecting the tax effect of the difference between the revaluation and cost of the heritable and investment property.