

Aberdeen Douglas Hotel Limited

Registered number: SC270574

Directors' report and financial statements

For the year ended 30 September 2013

MONDAY



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ABERDEEN DOUGLAS HOTEL LIMITED

COMPANY INFORMATION

DIRECTORS

Ms M C Martin
Mr R Keane

COMPANY SECRETARY

Ms M C Martin

REGISTERED NUMBER

SC270574

REGISTERED OFFICE

Union Plaza (6th Floor)
1 Union Wynd
Aberdeen
AB10 1DQ

INDEPENDENT AUDITORS

Mazars LLP
Chartered Accountants & Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

ABERDEEN DOUGLAS HOTEL LIMITED

CONTENTS

| | Page |
|-----------------------------------|--------|
| Directors' report | 1 - 2 |
| Strategic report | 3 - 4 |
| Independent auditors' report | 5 - 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Notes to the financial statements | 9 - 18 |

ABERDEEN DOUGLAS HOTEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and the financial statements for the year ended 30 September 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

RESULT

The profit for the year, after taxation, amounted to £1,895,878 (2012 - £722,958).

DIRECTORS

The directors who served during the year were:

Ms M C Martin
Mr R Keane

CHARITABLE CONTRIBUTIONS

The company made the following charitable donations during the period;

| | |
|-----------------------------|------|
| Trinity | £100 |
| Findlay | £100 |
| Action Medical Research | £450 |
| Gaelic Football Sponsorship | £220 |
| Local Community Donations | £200 |

ABERDEEN DOUGLAS HOTEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

DISCLOSURE OF INFORMATION TO AUDITORS

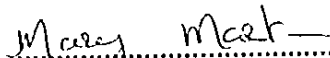
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

AUDITORS

The auditors, Mazars LLP, are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

This report was approved by the board on 27 June 2014 and signed on its behalf.


.....
Ms M C Martin
Director

ABERDEEN DOUGLAS HOTEL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

INTRODUCTION

The principal activity of the company in the year under review was that of the operation of a hotel.

BUSINESS REVIEW

The following business review of the Aberdeen Douglas Hotel is written with the purpose of giving a fair report of the current trading position of our hotel at the period end.

Trading as a 3 Star Visit Scotland graded hotel with 98 Bedrooms and a further 31 leased serviced apartments
Molly's Bistro, main dining area (54 covers) + Bar
Malones Irish Bar
Grand Ballroom Caters for up to 250 for dinner
3 Conference Suites – Gordon, Cameron & Arran Rooms
Bali Bliss Spa Treatment Room

Accommodation

The Aberdeen market has been extremely strong over the last year with continued investments, and developments within the oil & gas, and shipping industries which has delivered increased occupancy consistently throughout the year within the corporate market.

As usual high demand on Tuesdays & Wednesdays (offshore crew change) continues to fill the city, this combined with the shorter stay booking for the business traveller puts a strain on the rest of the mid-week business however the hotel has worked hard to counter this with direct offshore & shipping contracts to supplement the shoulder nights. Our serviced apartments have also seen an increased demand for longer stay guests resulting in higher weekend occupancy.

Weekend occupancies have also increased slightly year on year with the hotel offering competitive advance purchase rates to the leisure market through late rooms & booking.com, and that combined with accommodation sold in conjunction with our banqueting business.

| | ARR | Occ | Revpar |
|------|-------|--------|--------|
| 2009 | 80.40 | 66.22% | 53.24 |
| 2010 | 69.97 | 62.00% | 43.38 |
| 2011 | 66.75 | 69.95% | 46.69 |
| 2012 | 71.58 | 76.84% | 55.00 |
| 2013 | 73.96 | 78.23% | 56.00 |

Food and Beverage Revenue Figure Comparisons

| | Food | Beverage | Room Hire |
|------|----------|------------|-----------|
| 2009 | £571,000 | £471,000 | £60,000 |
| 2010 | £639,000 | £741,000 | £75,000 |
| 2011 | £816,217 | £897,162 | £80,299 |
| 2012 | £889,655 | £1,051,603 | £99,064 |
| 2013 | £995,678 | £1,100,834 | £101,928 |

Food & Beverage has enjoyed a very healthy year on year increase with new meeting & event business coming into the hotel with the potential for annual production, the increased hotel occupancy also has a positive impact on incremental food and beverage revenue from the guests. Molly's Bistro has established itself with a growing outside regular clientele thus not relying totally on hotel guests. Food & beverage revenues does carry high cost of sales relative to room sales which impacts on the bottom line growth.

Malones Irish Bar has seen a fantastic increase year on year with focus on live music and sporting events which have established the bar success throughout the Aberdeen area and with a lot of work and being very

ABERDEEN DOUGLAS HOTEL LIMITED

STRATEGIC REPORT (continued)

pro-active on various social media network sites i.e. Facebook and twitter, the advertising costs have been very well controlled.

PRINCIPAL RISKS AND UNCERTAINTIES

The hotel is still heavily reliant on the oil industry and based on the current business confidence in Aberdeen, 2014-15 is forecast to be strong. Together with the help of new technology coming on line there are many projects being planned for the coming years, allowing several mature oil fields a much longer productive life than originally forecast. A better tax regime for the oil industry is helping and allowing companies to heavily invest in research and development.

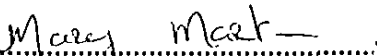
However there is great concern about the lack of infra-structure in the area with little investment or vision over the past years. As Scotland's third city Aberdeen is sadly not keeping pace with capital investment in line with other areas, many projects have been talked about but still have not started. This is now a real threat to new and existing businesses and must be addressed to ensure their commitment to future investment in the city.

OUTLOOK

In 2014 the focus will be to continue to maintain our current trading revenues with small growth in each department. The new Pinnacle Building project will have an adverse effect on our revenue figures however it is very difficult to forecast accurately as a definite start date and final details are not available at present.

Further Investment accommodation is planned in 2014 plus completion of a new façade for the hotel. There is a continued monitoring of our operating costs to ensure that these are controlled however increases are expected due to forecasted rises in food, utility, and wage cost rises.

This report was approved by the board on 27 June 2014 and signed on its behalf.


Ms M C Martin
Director

ABERDEEN DOUGLAS HOTEL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABERDEEN DOUGLAS HOTEL LIMITED

We have audited the financial statements of Aberdeen Douglas Hotel Limited for the year ended 30 September 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out 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 Auditing Practices Board's Ethical Standards for Auditors. 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 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 THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

ABERDEEN DOUGLAS HOTEL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABERDEEN DOUGLAS HOTEL LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



P B Jibson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

30 June 2014

ABERDEEN DOUGLAS HOTEL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2013

| | Note | 2013 £ | 2012 £ |
|--|------------|-------------|-------------|
| TURNOVER | 1,2 | 5,062,650 | 4,659,556 |
| Cost of sales | | (2,519,767) | (2,405,359) |
| Exceptional cost of sales | | - | (413,697) |
| Total cost of sales | | (2,519,767) | (2,819,056) |
| GROSS PROFIT | | 2,542,883 | 1,840,500 |
| Administrative expenses | | (1,097,998) | (922,949) |
| Other operating income | 3 | 8,992 | 5,342 |
| OPERATING PROFIT | 4 | 1,453,877 | 922,893 |
| EXCEPTIONAL ITEMS | | | |
| Exceptional gain on sale of tangible fixed assets | 7 | 1,000,000 | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST | | 2,453,877 | 922,893 |
| Interest receivable and similar income | | 3,298 | 5,303 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,457,175 | 928,196 |
| Tax on profit on ordinary activities | 8 | (561,297) | (205,238) |
| PROFIT FOR THE FINANCIAL YEAR | 15 | 1,895,878 | 722,958 |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

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

ABERDEEN DOUGLAS HOTEL LIMITED

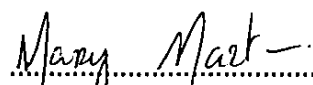
Registered number: SC270574

BALANCE SHEET

AS AT 30 SEPTEMBER 2013

| | Note | £ | 2013 £ | £ | 2012 £ |
|---|------|--------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 4,667,716 | | 4,589,252 |
| CURRENT ASSETS | | | | | |
| Stocks | 10 | 36,019 | | 33,233 | |
| Debtors: amounts falling due after more than one year | 11 | 2,942,334 | | 2,094,309 | |
| Debtors: amounts falling due within one year | 11 | 436,057 | | 482,230 | |
| Cash at bank and in hand | | 868,816 | | 583,281 | |
| | | <u>4,283,226</u> | | <u>3,193,053</u> | |
| CREDITORS: amounts falling due within one year | 12 | <u>(1,051,063)</u> | | <u>(465,971)</u> | |
| NET CURRENT ASSETS | | | <u>3,232,163</u> | | <u>2,727,082</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>7,899,879</u> | | <u>7,316,334</u> |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred tax | 13 | | <u>(52,352)</u> | | <u>(38,685)</u> |
| NET ASSETS | | | <u><u>7,847,527</u></u> | | <u><u>7,277,649</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 3,400,001 | | 3,400,001 |
| Profit and loss account | 15 | | <u>4,447,526</u> | | <u>3,877,648</u> |
| SHAREHOLDERS' FUNDS | 16 | | <u><u>7,847,527</u></u> | | <u><u>7,277,649</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2014.


.....
Ms M C Martin
Directors

The notes on pages 10 to 19 form part of these financial statements.

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of accommodation and retail hotel services provided during the year, exclusive of Value Added Tax.

1.4 Tangible fixed assets and depreciation

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

| | | |
|--------------------------|---|----------------------|
| Heritable property | - | not depreciated |
| Improvements to property | - | not depreciated |
| Plant & machinery | - | 20% reducing balance |
| Motor vehicles | - | 25% straight line |
| Fixtures & fittings | - | 20% reducing balance |
| Computer equipment | - | 33% straight line |

Heritable property and improvements thereto comprise the hotel from which the company operates. The company is a listed building and the company has a policy and practice of regular maintenance in order to ensure that the standard of accommodation and facilities is upheld. The directors are of the opinion that the residual value of the property is consistent with the carrying value of the property and therefore depreciation is not required.

1.5 Stocks

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

1.6 Deferred taxation

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

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

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

Deferred tax assets and liabilities are discounted.

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

Turnover represents net invoiced sales of goods and services relating to the operation of a hotel business, excluding vat.

All turnover arose within the United Kingdom.

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

3. OTHER OPERATING INCOME

| | 2013 £ | 2012 £ |
|----------------------|-----------|-----------|
| Net rents receivable | 8,992 | 5,342 |

4. OPERATING PROFIT

The operating profit is stated after charging:

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 95,476 | 75,494 |
| Auditor's remuneration | 11,000 | 11,000 |
| Auditor's remuneration - non audit - tax | 4,000 | 2,500 |
| Auditor's remuneration - non audit - other | 7,000 | 4,265 |

5. STAFF COSTS

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

| | 2013 £ | 2012 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 1,151,873 | 1,096,712 |
| Social security costs | 74,704 | 73,206 |
| Other pension costs | 15,000 | 12,550 |
| | 1,241,577 | 1,182,468 |

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

| | 2013 No. | 2012 No. |
|-----------------|-------------|-------------|
| Administration | 5 | 4 |
| Customer Facing | 62 | 58 |
| | 67 | 62 |

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

6. DIRECTORS' REMUNERATION

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| Remuneration | 48,750 | 46,115 |
| Company pension contributions to defined contribution pension schemes | 8,100 | 7,425 |

During the year retirement benefits were accruing to 1 directors (2012 - 1) in respect of defined contribution pension schemes.

7. EXCEPTIONAL ITEMS

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Disposal of property development project | 1,000,000 | 413,697 |

The company incurred costs of £413,697 in 2012 in respect of a potential property development project in Aberdeen City Centre and these were reported as a distinct business segment accordingly.

During the year the company disposed of its interest in the property development for consideration of £1,000,000 and an exceptional gain is recognised in these financial statements accordingly

8. TAXATION

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Analysis of tax charge in the year | | |
| Current tax (see note below) | | |
| UK corporation tax charge on profit for the year | 560,000 | 216,000 |
| Adjustments in respect of prior periods | (12,370) | - |
| Total current tax | 547,630 | 216,000 |
| Deferred tax (see note 13) | | |
| Origination and reversal of timing differences | 13,667 | (10,762) |
| Tax on profit on ordinary activities | 561,297 | 205,238 |

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 26% (2012 - 26%). The differences are explained below:

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Profit on ordinary activities before tax | 2,457,175 | 928,196 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2012 - 26%) | 638,866 | 232,049 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 2,256 | 1,832 |
| Capital allowances for year in excess of depreciation | 6,774 | 5,496 |
| Adjustments to tax charge in respect of prior periods | (12,370) | - |
| Other differences leading to an increase (decrease) in the tax charge | (87,896) | 179 |
| Group relief | - | (23,556) |
| Current tax charge for the year (see note above) | 547,630 | 216,000 |

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

9. TANGIBLE FIXED ASSETS

| | Heritable property £ | Plant & machinery £ | Motor vehicles £ | Fixtures & fittings £ |
|-----------------------|----------------------------|---------------------------|-----------------------------------|-----------------------------|
| Cost | | | | |
| At 1 October 2012 | 4,304,598 | 182,918 | 18,000 | 533,069 |
| Additions | 90,518 | 11,957 | 2,500 | 81,010 |
| Disposals | - | - | - | (36,454) |
| At 30 September 2013 | 4,395,116 | 194,875 | 20,500 | 577,625 |
| Depreciation | | | | |
| At 1 October 2012 | - | 115,014 | 12,167 | 327,943 |
| Charge for the year | - | 15,972 | 3,125 | 71,642 |
| On disposals | - | - | - | (24,409) |
| At 30 September 2013 | - | 130,986 | 15,292 | 375,176 |
| Net book value | | | | |
| At 30 September 2013 | 4,395,116 | 63,889 | 5,208 | 202,449 |
| At 30 September 2012 | 4,304,598 | 67,904 | 5,833 | 205,126 |
| | | | Office equipment £ | Total £ |
| Cost | | | | |
| At 1 October 2012 | | | 50,302 | 5,088,887 |
| Additions | | | - | 185,985 |
| Disposals | | | - | (36,454) |
| At 30 September 2013 | | | 50,302 | 5,238,418 |
| Depreciation | | | | |
| At 1 October 2012 | | | 44,511 | 499,635 |
| Charge for the year | | | 4,737 | 95,476 |
| On disposals | | | - | (24,409) |
| At 30 September 2013 | | | 49,248 | 570,702 |
| Net book value | | | | |
| At 30 September 2013 | | | 1,054 | 4,667,716 |
| At 30 September 2012 | | | 5,791 | 4,589,252 |

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

10. STOCKS

| | 2013 £ | 2012 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 36,019 | 33,233 |

11. DEBTORS

| | 2013 £ | 2012 £ |
|-------------------------------------|------------------|------------------|
| Due after more than one year | | |
| Amounts owed by group undertakings | 1,669,697 | 1,027,977 |
| Other debtors | 1,272,637 | 1,066,332 |
| | <u>2,942,334</u> | <u>2,094,309</u> |

| | 2013 £ | 2012 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 367,028 | 420,464 |
| Other debtors | 39,123 | 37,362 |
| Prepayments and accrued income | 29,906 | 24,404 |
| | <u>436,057</u> | <u>482,230</u> |

12. CREDITORS: Amounts falling due within one year

| | 2013 £ | 2012 £ |
|------------------------------------|------------------|----------------|
| Trade creditors | 409,551 | 175,763 |
| Corporation tax | 260,669 | 81,493 |
| Other taxation and social security | 114,603 | 85,150 |
| Other creditors | 172,114 | 63,077 |
| Accruals and deferred income | 94,126 | 60,488 |
| | <u>1,051,063</u> | <u>465,971</u> |

Included within accruals and deferred income is an amount of £26,672 for a grant received in respect of capital investment projects. During the year, the company received a capital grant to meet costs of improvements to the hotel's facade. The company's accounting policy is not to depreciate heritable property, in accordance with FRS15, and accordingly, no amortisation of the grants received has been made in these financial statements.

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

13. DEFERRED TAXATION

| | 2013 £ | 2012 £ |
|---|---------------|---------------|
| At beginning of year | 38,685 | 49,447 |
| Charge for/(released during) year (P&L) | 13,667 | (10,762) |
| At end of year | <u>52,352</u> | <u>38,685</u> |

The provision for deferred taxation is made up as follows:

| | 2013 £ | 2012 £ |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | <u>52,352</u> | <u>38,685</u> |

14. SHARE CAPITAL

| | 2013 £ | 2012 £ |
|--------------------------------------|------------------|------------------|
| Allotted, called up and fully paid | | |
| 3,400,001 Ordinary shares of £1 each | <u>3,400,001</u> | <u>3,400,001</u> |

15. RESERVES

| | Profit and loss account £ |
|-------------------------------|---------------------------------|
| At 1 October 2012 | 3,877,648 |
| Profit for the financial year | 1,895,878 |
| Dividends: Equity capital | (1,326,000) |
| At 30 September 2013 | <u>4,447,526</u> |

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2013 £ | 2012 £ |
|-------------------------------|------------------|------------------|
| Opening shareholders' funds | 7,277,649 | 6,690,691 |
| Profit for the financial year | 1,895,878 | 722,958 |
| Dividends (Note 17) | (1,326,000) | (136,000) |
| Closing shareholders' funds | <u>7,847,527</u> | <u>7,277,649</u> |

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

17. DIVIDENDS

| | 2013 £ | 2012 £ |
|----------------------------------|------------------|----------------|
| Dividends paid on equity capital | <u>1,326,000</u> | <u>136,000</u> |

ABERDEEN DOUGLAS HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

18. PENSION COMMITMENTS

At 30 September 2013, there were outstanding contributions of £nil (2012 - £nil) payable to the company's pension scheme.

19. TRANSACTIONS WITH DIRECTORS AND SHAREHOLDERS

Included in other debtors due greater than one year is a loan due from Mary Martin, director £103,924 (2012 - £39,462). The maximum balance during the year was £153,924 due from the director.

Included in other creditors due greater than one year is a loan due to Robert Keane of £87,318 (2012 - loan due from £18,841).

20. RELATED PARTY TRANSACTIONS

Mary Martin, director of the Aberdeen Douglas Hotel Limited is also a director and shareholder of Briarten Limited, a company incorporated in Scotland. Briarten Limited holds 100% of the share capital of Aberdeen Douglas Hotel Limited. At 30 September 2013 there is an intercompany loan of £1,027,977 (2012 - £700,922) due by Briarten Limited to the Aberdeen Douglas Hotel Limited. No interest is charged on the loan.

During the year, Caversham Management Limited, invoiced the Aberdeen Douglas Hotel Limited for monthly rental of apartments included in the hotels portfolio totalling £104,040 (2012 - £104,040). Robert Keane, who is a majority shareholder of Briarten Limited is also a director of Caversham Management Limited. At 30 September 2013, included within other debtors due greater than one year is a loan due from Caversham Management Limited of £238,430 (2012 - £238,430). No interest is charged on the loan.

During the year, Dealtee Limited invoiced the Aberdeen Douglas Hotel Limited for monthly rental of apartments included in the hotels portfolio totalling £193,800 (2012 - £193,800). Robert Keane who is a majority shareholder of Briarten Limited is also a director of Dealtee Limited. As at 30 September 2013, included within other debtors due greater than one year is a balance of £27,000 (2012 - £27,000) due to the Aberdeen Douglas Hotel Limited from Dealtee Limited. There is no interest charged on the loan.

Mary Martin, director of the Aberdeen Douglas Hotel Limited is also a director of Ensco 330 Limited, a company incorporated in Scotland. As at 30 September 2013, included within other debtors due greater than one year, is a loan of £723,106 (2012 - £723,106) due by Ensco 330 Limited to the Aberdeen Douglas Hotel Limited.

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The intermediate parent company is Markten Limited, a company incorporated in Scotland. The ultimate parent company is Briarten Limited, a company incorporated in Scotland.

In the opinion of the directors, the company is not controlled by a single party.