

GUYZANCE HALL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

GUYZANCE HALL LIMITED

COMPANY INFORMATION

Director	Mr R Parker
Company secretary	Mrs G Parker
Registered number	06359546
Registered office	Tedsmore Hall Tedsmore West Felton Oswestry Shropshire SY11 4HD
Independent auditors	Whittingham Riddell LLP Chartered Accountants & Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

GUYZANCE HALL LIMITED

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GUYZANCE HALL LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Introduction

The director presents his strategic report for the year ended 31 March 2019.

Business review

Turnover of £10,942,568 was achieved compared to £10,640,140 for the year to 31 March 2018. Operating profit for the year prior to exceptional costs was £279,485 compared to £702,712 in the year ended 31 March 2018.

The Company had significant net assets at the year end of £6.3m (2018: £10.9m), after net current liabilities of £13.4m (2018: £8.1m).

Net current liabilities in part represent a normal trading position for the Company considering the nature of the trade and working capital profile, and in part bank loans totalling £8.9m (2018: £4.0m), and bank overdraft totalling £750k (2018: £792k) due for repayment within one year.

During the year the Company disposed of one of its hotel trading sites to a third party. The Company has, subsequent to the year end, disposed of its remaining hotel trade and undertakings to a fellow subsidiary company of Tedsmore Hall Limited, RPC Hotels Limited, for open market value consideration as part of a bank refinance with all bank debt repaid and other trade debt assumed by this new company as part of that reorganisation.

The Company has also since the year end disposed of its holiday lettings business to a third party.

The Company's principal trading activities are therefore discontinued subsequent to the year.

Principal risks and uncertainties

The management and operation of the business are subject to a number of risks and the key business risks and uncertainties affecting the Company are considered to relate to the general economic conditions within the leisure sector.

Financial key performance indicators

The financial key performance indicators utilised by the Company are turnover, operating profit and net assets. On each of these areas the Director is satisfied by the performance of the Company.

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Other key performance indicators
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The Company continues to monitor other key performance indications and review performance.

This report was approved by the board on 27 December 2019 and signed on its behalf.

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Mr R Parker
Director

GUYZANCE HALL LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The Director presents his report and the financial statements for the year ended 31 March 2019.

Director's responsibilities statement

The Director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies for the Company'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 Company will continue in business.

The Director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's reports may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to £4,591,780 (2018 - profit £286,722).

No dividends are proposed to be paid from the profits of the current accounting period.

Director

The Director who served during the year was:

Mr R Parker

Future developments

Other than as disclosed in the post balance sheet events section below there are no other significant future developments considered of relevance.

GUYZANCE HALL LIMITED

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Employee involvement

The Company ensures that all employees are kept up to date with key developments and that their involvement in key decisions is sought where it is felt appropriate.

The Company gives full and fair consideration for applications for employment from disabled individuals and the career development, training and other opportunities for such employees is no different to other employees of the Company.

Disclosure of information to auditors

The Director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he 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's auditors are aware of that information.

Post balance sheet events

On 30 May 2019 the Company disposed of its remaining hotel trade and undertakings to a fellow subsidiary company of Tedsmore Hall Limited, RPC Hotels Limited, for open market value consideration as part of a bank refinance with all bank debt repaid and other trade debt assumed by this new company as part of that reorganisation.

The Company has also since the year end disposed of its holiday lettings business to a third party.

The Company's principal trading activities are therefore discontinued subsequent to the year.

Auditors

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

This report was approved by the board on 27 December 2019 and signed on its behalf.

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Mr R Parker
Director

GUYZANCE HALL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GUYZANCE HALL LIMITED

Opinion

We have audited the financial statements of Guyzance Hall Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity 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 Company's affairs as at 31 March 2019 and of its loss 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 Company 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 Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Director is 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

GUYZANCE HALL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GUYZANCE HALL LIMITED (CONTINUED)

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.

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 Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's 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, 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's responsibilities statement on page 2, the Director is 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 Director determines 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 Director is responsible for assessing the 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 Director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

GUYZANCE HALL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GUYZANCE HALL LIMITED (CONTINUED)

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.

John Fletcher BA (Hons) FCA (Senior statutory auditor)

for and on behalf of
Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

28 December 2019

GUYZANCE HALL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

		Continuing operations 2019	Discontin'd operations 2019	Total 2019	Continuing operations 2018	Discontinued operations 2018	Total 2018
Note		£	£	£	£	£	£
Turnover	4	10,942,568	-	10,942,568	9,434,160	1,205,980	10,640,140
Cost of sales		(2,899,609)	-	(2,899,609)	(2,497,218)	(322,936)	(2,820,154)
Gross profit		8,042,959	-	8,042,959	6,936,942	883,044	7,819,986
Administrative expenses		(7,740,048)	(23,426)	(7,763,474)	(6,012,724)	(1,144,706)	(7,157,430)
Exceptional administrative expenses	9	(4,478,998)	-	(4,478,998)	20,078	-	20,078
Operating (loss)/profit	5	(4,176,087)	(23,426)	(4,199,513)	944,296	(261,662)	682,634
Interest payable and expenses	7	(392,267)	-	(392,267)	(395,912)	-	(395,912)
(Loss)/profit before taxation		(4,568,354)	(23,426)	(4,591,780)	548,384	(261,662)	286,722
Tax on (loss)/profit	8	-	-	-	-	-	-
(Loss)/profit for the financial year		(4,568,354)	(23,426)	(4,591,780)	548,384	(261,662)	286,722

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 10 to 24 form part of these financial statements.

GUYZANCE HALL LIMITED
REGISTERED NUMBER: 06359546

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	291,667	341,667
Tangible assets	11	19,429,918	29,140,355
		<u>19,721,585</u>	<u>29,482,022</u>
Current assets			
Stocks	12	129,610	171,557
Debtors: amounts falling due within one year	13	292,685	357,356
Cash at bank and in hand	14	55,903	69,417
		<u>478,198</u>	<u>598,330</u>
Creditors: amounts falling due within one year	15	(13,863,523)	(8,721,494)
Net current liabilities		<u>(13,385,325)</u>	<u>(8,123,164)</u>
Total assets less current liabilities		<u>6,336,260</u>	<u>21,358,858</u>
Creditors: amounts falling due after more than one year	16	(20,067)	(10,450,885)
Net assets		<u><u>6,316,193</u></u>	<u><u>10,907,973</u></u>
Capital and reserves			
Called up share capital	20	12,000,002	12,000,002
Profit and loss account	21	(5,683,809)	(1,092,029)
		<u><u>6,316,193</u></u>	<u><u>10,907,973</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 December 2019.

.....
Mr R Parker
Director

The notes on pages 10 to 24 form part of these financial statements.

GUYZANCE HALL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	12,000,002	(1,092,029)	10,907,973
Comprehensive income for the year			
Loss for the year	-	(4,591,780)	(4,591,780)
At 31 March 2019	<u>12,000,002</u>	<u>(5,683,809)</u>	<u>6,316,193</u>

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2017	12,000,002	(1,378,751)	10,621,251
Comprehensive income for the year			
Profit for the year	-	286,722	286,722
At 31 March 2018	<u>12,000,002</u>	<u>(1,092,029)</u>	<u>10,907,973</u>

The notes on pages 10 to 24 form part of these financial statements.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The Company's principal activity is the operation of a number of hotels in the United Kingdom.
The Company is a private company limited by shares and is incorporated and domiciled in England.
The address of its registered office is Tedsmore Hall, Tedsmore, West Felton, Oswestry, Shrewsbury, SY11 4HD.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tedsmore Hall Limited as at 31 March 2019 and these financial statements may be obtained from Companies House.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.3 Going concern

The Company had significant net assets at the year end of £6.3m (2018: £10.9m), with net current liabilities of £13.4m (2018: £8.1m).

Net current liabilities in part represent a normal trading position for the Company considering the nature of the trade and working capital profile, and in part bank loans totalling £8.9m (2018: £4.0m), and bank overdraft totalling £750k (2018: £792k) due for repayment within one year.

During the year the Company disposed of one of its hotel trading sites to a third party. The Company has since the year end disposed of its remaining hotel trade and undertakings to a fellow subsidiary company of Tedsmore Hall Limited, RPC Hotels Limited, for open market value consideration as part of a bank refinance with all bank debt repaid and other trade debt assumed by this new company as part of that reorganisation. An adjustment has been made in these accounts to write down the hotels to the fair value consideration received by the fellow subsidiary post year end.

The Company has also since the year end disposed of its holiday lettings business to a third party.

The Company's principal trading activities are therefore discontinued subsequent to the year.

After considering the above, the directors have concluded that it is appropriate to continue to adopt the going concern basis of accounting in preparing these annual financial statements.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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 Company 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.

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income 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 Company in independently administered funds.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.9 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 Company'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 comprehensive income over its useful economic life of 10 years.

2.10 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.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following basis:

Freehold property	- Not depreciated
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 10-25% 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 Statement of comprehensive income.

Freehold property is not depreciated on the grounds that its residual value will at least be equal to the carrying value in the financial statements.

2.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 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 weighted average 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.

2.13 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.

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GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.14 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.

2.15 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.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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 makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Hotel accommodation and property rental	10,942,568	10,640,140
	<u>10,942,568</u>	<u>10,640,140</u>

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	727,051	294,393
Amortisation of intangible assets, including goodwill	50,000	50,000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16,000	16,000
	<u>16,000</u>	<u>16,000</u>

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. Employees

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	4,494,555	4,186,136
Social security costs	258,325	224,959
Cost of defined contribution scheme	47,072	27,489
	<u>4,799,952</u>	<u>4,438,584</u>

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

	2019 No.	2018 No.
	<u>285</u>	<u>272</u>

There has been no remuneration (2018: £nil) payable to the Director. The Director also constitutes the key management personnel of the Company.

7. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	371,389	388,570
Other loan interest payable	16,720	-
Finance leases and hire purchase contracts	4,158	7,342
	<u>392,267</u>	<u>395,912</u>

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<u>(4,591,780)</u>	<u>286,722</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(872,438)	54,477
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	789,975	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,465	10,998
Capital allowances for year in excess of depreciation	55,947	6,062
Utilisation of tax losses	-	(70,604)
Book profit on chargeable assets	-	(3,815)
Capital gains	-	3,169
Unrelieved tax losses carried forward	21,051	-
Group relief	-	(287)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Legislation to reduce the main rate of UK corporation tax from 19% to 17% has been enacted in Finance Act 2019 and will take effect from 1 April 2020.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Exceptional items

	2019 £	2018 £
(Profit)/Loss on sale of tangible fixed assets	166,536	(20,078)
Impairment of Freehold properties	4,157,761	-
Other exceptional costs	154,701	-
Exceptional items	<u>4,478,998</u>	<u>(20,078)</u>

10. Intangible assets

	Goodwill £
Cost	
At 1 April 2018	500,000
At 31 March 2019	<u>500,000</u>
Amortisation	
At 1 April 2018	158,333
Charge for the year	50,000
At 31 March 2019	<u>208,333</u>
Net book value	
At 31 March 2019	<u>291,667</u>
At 31 March 2018	<u>341,667</u>

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Tangible fixed assets

	Freehold property	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost or valuation				
At 1 April 2018	28,224,026	22,280	2,705,049	30,951,355
Additions	212,733	-	68,115	280,848
Disposals	(5,526,158)	-	-	(5,526,158)
At 31 March 2019	<u>22,910,601</u>	<u>22,280</u>	<u>2,773,164</u>	<u>25,706,045</u>
Depreciation				
At 1 April 2018	544,842	16,589	1,249,570	1,811,001
Charge for the year on owned assets	-	-	307,365	307,365
Impairment charge	4,157,761	-	-	4,157,761
At 31 March 2019	<u>4,702,603</u>	<u>16,589</u>	<u>1,556,935</u>	<u>6,276,127</u>
Net book value				
At 31 March 2019	<u>18,207,998</u>	<u>5,691</u>	<u>1,216,229</u>	<u>19,429,918</u>
<i>At 31 March 2018</i>	<u>27,679,185</u>	<u>5,691</u>	<u>1,455,479</u>	<u>29,140,355</u>

12. Stocks

	2019 £	2018 £
Stocks	129,610	171,557
	<u>129,610</u>	<u>171,557</u>

Stock recognised in cost of sales during the year as an expense was £2,330,251 (2018 - £2,108,365) .

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Debtors

	2019	2018
	£	£
Trade debtors	139,355	202,205
Prepayments	153,330	155,151
	<u>292,685</u>	<u>357,356</u>

14. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	55,903	69,417
Bank overdrafts	(749,688)	(791,833)
	<u>(693,785)</u>	<u>(722,416)</u>

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Bank Overdraft	749,688	791,833
Bank Loans	8,916,679	4,044,366
Other loans	-	114,120
Payments received on account	944,328	1,014,980
Trade creditors	1,047,118	1,116,633
Amounts owed to group undertakings	1,410,736	544,745
Taxation and social security	457,517	729,494
Obligations under finance lease and hire purchase contracts	11,140	13,553
Other creditors	29,599	11,224
Accruals	296,718	340,546
	<u>13,863,523</u>	<u>8,721,494</u>

Bank loans and overdrafts are secured by a legal charge over fixed and floating assets 29 January 2015 and debentures dated 26 January 2015.

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank Loans	-	9,151,930
Other loans	-	53,880
Net obligations under finance leases and hire purchase contracts	20,067	21,532
Amounts owed to group undertakings	-	1,223,543
	<u>20,067</u>	<u>10,450,885</u>

Bank loans and overdrafts are secured by a legal charge over fixed and floating assets 29 January 2015 and debentures dated 26 January 2015.

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

17. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	8,916,679	4,044,366
Other loans	-	114,120
	<u>8,916,679</u>	<u>4,158,486</u>
Amounts falling due 1-2 years		
Bank loans	-	9,151,930
Other loans	-	53,880
	-	<u>9,205,810</u>
	<u>8,916,679</u>	<u>13,364,296</u>

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	11,140	13,553
Between 1-5 years	20,067	21,532
	<u>31,207</u>	<u>35,085</u>

19. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>139,355</u>	<u>202,205</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(12,450,538)</u>	<u>(17,392,819)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
12,000,000 (2018 - 12,000,000) B Shares shares of £1.00 each	12,000,000	12,000,000
2 (2018 - 2) Ordinary Shares shares of £1.00 each	2	2
	<u>12,000,002</u>	<u>12,000,002</u>

21. Reserves

Profit and loss account

The profit and loss account comprises cumulative retained earnings of the Company since incorporation, less distributions made to shareholders.

GUYZANCE HALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

22. Discontinued Operations

During the year the Company disposed of one of its hotel trading sites to a third party and the activities of that site have therefore been disclosed as discontinued in these accounts.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £47,072 (2018 - £27,489). Contributions totaling £23,292 (2018 - £4,746) were payable to the fund at the balance sheet date and are included in creditors.

24. Related party transactions

The Company has taken advantage of the exemptions contained in FRS102 and has not disclosed transactions entered into with group companies which are wholly owned.

25. Post balance sheet events

On 30 May 2019 the Company disposed of its remaining hotel trade and undertakings to a fellow subsidiary company of Tedsmore Hall Limited, RPC Hotels Limited, for open market value consideration as part of a bank refinance with all bank debt repaid and other trade debt assumed by this new company as part of that reorganisation.

The Company has also since the year end disposed of its holiday lettings business to a third party.
The Company's principal trading activities are therefore discontinued subsequent to the year.

26. Controlling party

The Company is wholly owned by Tedsmore Hall Limited. The ultimate controlling parties are R Parker and G Parker.

