

Graffan Properties Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2019

Graffan Properties Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

The directors who held office during the year were as follows:

Michael Holland

Tom Mannix

Robert Brian Savage

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' and Strategic reports 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 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; 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.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

A resolution proposing the appointment of auditors will be put to the forthcoming annual general meeting in accordance with Section 485 of The Companies Act 2006.

Required disclosures dealt with in the Strategic Report

In accordance with the provisions of s414C(11) of the Companies Act 2006, the following matters, otherwise required for inclusion in the Directors' Report, have been included in the Strategic Report:

- Review of business and future developments in the Company, and
- Financial instruments incorporating financial risk management objectives and policies,

Graffan Properties Limited

Directors' Report for the Year Ended 31 December 2019

Approved by the Board on 6 April 2020 and signed on its behalf by:

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Michael Holland
Director

Graffan Properties Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Fair review of the business

During 2019 the hotel completed refurbishment work which increased the number of bedrooms available. As anticipated, this had a significant positive impact on revenue and profitability. When combined with the 5-star grading achieved prior to the commencement of the works, this meant that the Hotel entered 2020 in an excellent position to take advantage of current demand, despite the large increase in hotel beds across Belfast.

Since the year end, following restrictions imposed by the Government as a result of the outbreak of the Covid-19 pandemic, the hotel has temporarily ceased trading. The Directors intend to recommence trading as soon as all restrictions have been lifted. In the intervening period, the Group has reduced its cost base so that the burden of costs borne during the non-trading period is mitigated. The company will also apply to avail of any relevant government supports provided to businesses during this time. The Directors believe that the company is well positioned to return to full trading capacity once this period of uncertainty passes and furthermore, the Directors also believe that the group has the necessary financial resources to assist in getting through this difficult period.

The company's key financial and other performance indicators during the year were as follows:

	2019	2018	Variance
	£	£	%
Turnover	7,079,811	6,463,245	+9.5%
Operating profit	1,078,042	945,135	+14.1%

Principal risks and uncertainties

The principal risks facing the Company arise from the current Covid-19 pandemic, as well as the general local economic situation in the UK and Ireland. There is also underlying uncertainty arising from the UK's exit from the European Union. The current crisis is expected to have a significant impact on the UK and Ireland economy as a whole, with the leisure and hospitality sector facing particularly difficult challenges. The Company will seek to avail of any available government support to protect its employees and minimise costs.

Liquidity and cash flow risk remain key focusses of the Company's management, particularly during the coronavirus crisis. Management are actively monitoring and managing cash flow on a daily basis to ensure necessary funds are available to meet operating and financing requirements. An additional key focus at this time is to maintain its workforce and basic infrastructure, in order that it will emerge from this crisis in the strongest possible position for rebuilding trade. The Company does not have any necessity to engage in any form of hedging activities nor is the utilisation of any other form of financial instrument required.

Approved by the Board on 6 April 2020 and signed on its behalf by:

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Michael Holland
Director

Graffan Properties Limited

Independent Auditor's Report to the Members of Graffan Properties Limited

Opinion

We have audited the financial statements of Graffan Properties Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, 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).

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 auditor's 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

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 Auditor's 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 UK, including the FRC'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.

Material uncertainty relating to going concern

We draw attention to note 2 in the financial statements, which describes the conditions arising from the coronavirus restrictions which may cast doubt on the entity's ability to continue as a going concern. In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Graffan Properties Limited

Independent Auditor's Report to the Members of Graffan Properties Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the [set out on page], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Graffan Properties Limited

Independent Auditor's Report to the Members of Graffan Properties Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Peter Stevenson (Senior Statutory Auditor)

For and on behalf of Stevenson and Wilson, Statutory Auditor

22 Broadway Avenue

Ballymena

BT43 7AA

6 April 2020

Graffan Properties Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	<u>3</u>	7,079,811	6,463,245
Cost of sales		<u>(3,543,604)</u>	<u>(3,205,108)</u>
Gross profit		3,536,207	3,258,137
Administrative expenses		<u>(2,458,691)</u>	<u>(2,312,292)</u>
Operating profit	<u>5</u>	1,077,516	945,845
Interest payable and similar expenses	<u>6</u>	<u>(550,365)</u>	<u>(573,466)</u>
Profit before tax		527,151	372,379
Taxation	<u>7</u>	<u>(74,867)</u>	<u>15,833</u>
Profit for the financial year		<u><u>452,284</u></u>	<u><u>388,212</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Graffan Properties Limited

(Registration number: NI011874)

Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	<u>8</u>	27,885	27,885
Tangible assets	<u>9</u>	19,696,853	20,111,485
Investments	<u>10</u>	<u>1</u>	<u>1</u>
		<u>19,724,739</u>	<u>20,139,371</u>
Current assets			
Stocks	<u>11</u>	66,011	33,221
Debtors	<u>12</u>	198,488	205,588
Cash at bank and in hand		<u>915,667</u>	<u>640,250</u>
		1,180,166	879,059
Creditors: amounts falling due within one year	<u>13</u>	<u>(1,911,207)</u>	<u>(2,369,465)</u>
Net current liabilities		<u>(731,041)</u>	<u>(1,490,406)</u>
Total assets less current liabilities		18,993,698	18,648,965
Creditors: amounts falling due after more than one year	<u>14</u>	<u>(12,745,345)</u>	<u>(12,852,896)</u>
Net assets		<u>6,248,353</u>	<u>5,796,069</u>
Capital and reserves			
Called up share capital	<u>15</u>	100	100
Revaluation reserve		854,258	854,258
Profit and loss account		<u>5,393,995</u>	<u>4,941,711</u>
Equity shareholder's funds		<u>6,248,353</u>	<u>5,796,069</u>

Approved and authorised by the Board on 6 April 2020 and signed on its behalf by:

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Michael Holland
Director

Graffan Properties Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2019	100	854,258	4,941,711	5,796,069
Profit for the year	-	-	452,284	452,284
At 31 December 2019	100	854,258	5,393,995	6,248,353

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2018	100	854,258	4,553,499	5,407,857
Profit for the year	-	-	388,212	388,212
At 31 December 2018	100	854,258	4,941,711	5,796,069

Graffan Properties Limited

Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		452,284	388,212
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	559,193	460,286
Finance costs	<u>6</u>	550,891	573,010
Income tax expense	<u>7</u>	74,867	(15,833)
		1,637,235	1,405,675
Working capital adjustments			
Increase in stocks	<u>11</u>	(32,790)	(15,279)
(Increase)/decrease in trade debtors	<u>12</u>	(8,733)	16,110
(Decrease)/increase in trade creditors	<u>13</u>	(149,482)	221,274
Cash generated from operations		1,446,230	1,627,780
Income taxes received/(paid)	<u>7</u>	15,833	(33,038)
Net cash flow from operating activities		<u>1,462,063</u>	<u>1,594,742</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(144,561)	(2,334,862)
Net cash flows from investing activities		<u>(144,561)</u>	<u>(2,334,862)</u>
Cash flows from financing activities			
Interest paid	<u>6</u>	(550,891)	(573,010)
(Payments to)/advances from finance lease creditors		(90,589)	275,501
Bank borrowings		(400,605)	(308,911)
Other borrowings		-	1,500,000
Net cash flows from financing activities		<u>(1,042,085)</u>	<u>893,580</u>
Net increase in cash and cash equivalents		275,417	153,460
Cash and cash equivalents at 1 January		640,250	486,790
Cash and cash equivalents at 31 December		<u>915,667</u>	<u>640,250</u>

Graffan Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in Northern Ireland.

The address of its registered office is:
40 Lincenhall Street, Belfast, BT2 8BA, Northern Ireland

These financial statements were authorised for issue by the Board on 6 April 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal 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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

As a result of the restrictions due to the Coronavirus, the Company was forced to temporarily close the hotel premises in March 2020. Even with a highly solvent balance sheet and healthy cash reserves at the reporting date, such conditions invariably create a materiality uncertainty in relation to the Company's going concern position. The Directors will avail of all government support available, including the Coronavirus Job Retention Scheme which will help to ensure that staff are readily available as and when the restrictions are eased. They have also been in communication with their lenders, who have confirmed their intention to continue to fund the business for the foreseeable future. Should it be necessitated the Company has further funding options under the Coronavirus Business Interruption Loan Scheme. For these reasons, the Directors feel it is appropriate to adopt the going concern principle, despite the uncertainty caused by the current crisis.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, net of VAT and discounts. Turnover is recognised at the point of the provision of services and sale of associated goods.

Intangible assets

Intangible assets comprise costs incurred by the Company to acquire a liquor licence. Amortisation is not provided on the licence as its value to the hotel is non-depreciating.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Graffan Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Asset class	Depreciation method and rate
Freehold land and buildings	Not depreciated
Fixtures and fittings	10% and 20%
Plant and equipment	10%
Computer and office equipment	10% and 33%

Revaluation of tangible fixed assets

The Hotel property is revalued to market value using the “profits method” as advised by independent external property valuers. Revaluations are performed with sufficient regularity to ensure that the carrying value does not materially differ from the fair market value at the reporting date. Revaluation gains are reported through the Statement of Comprehensive Income except to the extent that they reverse losses previously charged through the profit and loss account. Revaluation losses are reported through the Statement of Comprehensive Income except to the extent that they exceed previously reported gains, in which instance the excess is charged to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Graffan Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Foreign currency transactions and balances

Transactions occurring in foreign currencies are recognised at the spot rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the rate at the balance sheet date. Foreign exchange gains and losses are recognised in the profit and loss account as they arise.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as an employee benefit expense when they fall due.

3 Revenue

All turnover is generated in the UK from the provision of hospitality services.

4 Staff costs

	2019	2018
	£	£
Wages and salaries	1,660,644	1,548,748
Social security costs	122,629	111,288
	<u>1,783,273</u>	<u>1,660,036</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019	2018
	No.	No.
Administration and support	17	16
Direct	76	72
	<u>93</u>	<u>88</u>

5 Operating profit

Arrived at after charging/(crediting)

	2019	2018
	£	£
Depreciation expense	<u>559,193</u>	<u>460,286</u>

Graffan Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

6 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	405,891	428,010
Interest expense on other finance liabilities	145,000	145,000
Exchange (gains)/losses	(526)	456
	<u>550,365</u>	<u>573,466</u>

7 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	<u>74,867</u>	<u>(15,833)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>527,151</u>	<u>372,379</u>
Corporation tax at standard rate	100,159	70,752
Effect of expense not deductible in determining taxable profit (tax loss)	2,521	1,275
Deferred tax expense (credit) relating to changes in tax rates or laws	-	(206)
Tax increase (decrease) from effect of capital allowances and depreciation	<u>(27,813)</u>	<u>(87,654)</u>
Total tax charge/(credit)	<u>74,867</u>	<u>(15,833)</u>

Graffan Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

8 Intangible assets

	Liquor licence £	Total £
Cost or valuation		
At 1 January 2019	27,885	27,885
At 31 December 2019	27,885	27,885
Carrying amount		
At 31 December 2019	27,885	27,885
At 31 December 2018	27,885	27,885

Amortisation is not provided on the intangible fixed asset held by the Company. The liquor licence is of continued value to the Company and holds a readily attainable market value in excess of its cost.

9 Tangible assets

	Land and buildings £	Fixtures, fittings and office equipment £	Plant & equipment £	Total £
Cost or valuation				
At 1 January 2019	17,291,247	4,902,128	349,409	22,542,784
Additions	8,801	123,310	12,449	144,560
At 31 December 2019	17,300,048	5,025,438	361,858	22,687,344
Depreciation				
At 1 January 2019	-	2,150,687	280,612	2,431,299
Charge for the year	-	535,813	23,379	559,192
At 31 December 2019	-	2,686,500	303,991	2,990,491
Carrying amount				
At 31 December 2019	17,300,048	2,338,938	57,867	19,696,853
At 31 December 2018	17,291,247	2,751,441	68,797	20,111,485

The Hotel property, incorporating the fixtures and fittings, was revalued to an open market value of £18,300,000 in January 2017 by the external, professional valuers, Savilles.

Assets held under finance lease obligations have a net book value at the year end of £208,237.

Graffan Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

10 Investments in subsidiaries, joint ventures and associates

	2019 £	2018 £
Investments in subsidiaries	1	1

The Company holds 100% of the equity share capital of Fitzwilliam Hotel (Belfast) Limited, a dormant company registered in Northern Ireland with a year-end coterminous with that of its parent.

11 Stocks

	2019 £	2018 £
Goods for resale	66,011	33,221

12 Debtors

	2019 £	2018 £
Trade debtors	36,992	54,680
Prepayments and accrued income	161,496	135,075
Other debtors	-	15,833
	198,488	205,588

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	495,425	883,105
HP and finance lease obligations	94,626	90,589
Trade creditors	471,590	568,976
Social security and other taxes	194,177	214,955
Accrued expenses and deferred income	197,666	250,378
Other creditors	382,856	361,462
Corporation tax	74,867	-
	1,911,207	2,369,465

Graffan Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

14 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans	9,705,059	9,717,984
Finance lease liabilities	90,286	184,912
Amounts due to group undertakings	1,450,000	1,450,000
Amounts due to associate company	1,500,000	1,500,000
	<u>12,745,345</u>	<u>12,852,896</u>

Amounts due to group undertakings are secured by a second charge over the Company's hotel property and liquor licence. They are interest bearing with no fixed repayment date.

Amounts due to associated undertaking relate to an unsecured, interest free loan. They are subordinated behind the secured debt.

Bank loans

The bank loans are secured by a fixed charge over the hotel property, a debenture over all assets of the Company and an intergroup guarantee from the Company's immediate parent. They are repayable by instalment and are estimated to fall due as follows:

	2019 £	2018 £
Within one year	495,425	883,105
Between one and two years	492,559	885,025
Between two and five years	1,350,000	2,562,959
After more than five years	7,862,500	6,270,000
	<u>10,200,484</u>	<u>10,601,089</u>

15 Share capital

Allotted, called up and fully paid shares

	2019 No.	2019 £	2018 No.	2018 £
Ordinary shares of £1 each	100	100	100	100

Graffan Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

16 Financial instruments

At the balance sheet date the Company held the following financial instruments:

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost	<u>36,992</u>	<u>54,680</u>
Financial liabilities measured at amortised cost	<u>14,458,896</u>	<u>149,871,983</u>

17 Related party transactions

The Company has availed of the exemption provisions contained in FRS 102 not to disclose transactions with group companies. The Company is a subsidiary of Graffan No.1 Limited, which in turn is a 100% subsidiary of Plazaway Investments Limited, a Company registered in Republic of Ireland, the financial statements of which are publicly available.

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