

GRAFFAN PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2018

MONDAY



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09/09/2019
COMPANIES HOUSE

GRAFFAN PROPERTIES LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their reports to the members and the accounts for the year ended 31st December 2018.

Directors

The directors who served in office during the year were as follows:

Mr Michael Holland
Mr Tom Mannix
Mr 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 auditors

The Directors have taken steps that they ought to have taken as directors 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 which they know the auditors are unaware 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.

GRAFFAN PROPERTIES LIMITED

DIRECTORS' REPORT *(continued)*

Required disclosures dealt with in the Strategic Report

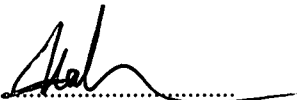
In accordance with the provisions of s414C(11) of the Companies Act 2006, the following matters, otherwise required for inclusion in the Directors' Report, have been included in the Strategic Report:

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

Medium companies' exemption

This report has been prepared in accordance with the special provisions relating to medium sized companies within Part 15 of the Companies Act 2006.

Approved by the Board on 15th May 2019 and signed on its behalf by:



Director
Mr Michael Holland

GRAFFAN PROPERTIES LIMITED

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31st December 2018.

Fair review of the business

During 2018 the hotel underwent further refurbishment work which reduced the number of bedrooms available until the latter part of the year. As anticipated, this had a significant impact on revenue and profitability. Having completed the works, the Directors are confident that the refurbishment and addition of rooms will result in improved results for the incoming year. Having achieved a 5 star grading in the prior year, the company is in an excellent position to take advantage of current demand, despite the large increase in hotel beds across Belfast.

A summary of the key performance indicators is given below:

Key performance indicators	2018	2017	Variance
	£	£	%
Turnover	6,463,245	6,761,049	-4.4%
Gross profit	3,258,137	3,514,831	-7.3%
Operating profit	945,135	1,318,699	-28.3%

Principal risks and uncertainties

The principal risks facing the Company arise from the local economic and political situation in Northern Ireland as well as any uncertainty arising from the UK's exit from the European Union. These factors may have a direct impact on the levels of tourism, hospitality and business and consumer spending.

Belfast is currently experiencing a significant increase in the number of available hotel beds as additional hoteliers enter the market. The Directors feel that due to the Fitzwilliam Hotel's reputation, desirable location and commitment to service quality it is in a position to continue trading successfully in this environment.

Liquidity and cash flow risk remain key focusses of the Company's management. Management are actively monitoring and managing cash flow on a daily basis to ensure necessary funds are available to meet operating and financing requirements. With healthy levels of operating profitability and positive cash flows, the Company continues to comfortably meet all financing commitments. 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 15th May 2019 and signed on its behalf by:



Director
Mr Michael Holland

INDEPENDENT AUDITORS REPORT TO THE MEMBER OF GRAFFAN PROPERTIES LIMITED

We have audited the financial statements of Graffan Properties Limited for the year ended 31st December 2018 which comprise the Profit and Loss Account, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and related notes. 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 Company's affairs as at 31st December 2018 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Responsibilities of directors

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, 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 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.

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.

INDEPENDENT AUDITORS' REPORT (continued)

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.
- 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.

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.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about 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.

INDEPENDENT AUDITORS' REPORT (continued)

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the knowledge and understanding of Company and its environment obtained in the course of the audit, ~~we have not identified material misstatements in the strategic report or the directors' report.~~

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

- adequate accounting records have not been kept by the Company, 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.



Peter Stevenson
Senior Statutory Auditor

for and on behalf of:
Stevenson and Wilson, Statutory Auditor

15th May 2019

22-30 Broadway Avenue
Ballymena
BT43 7AA

GRAFFAN PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	6,463,245	6,761,049
Cost of sales		(1,487,231)	(1,527,710)
Gross profit		<u>4,976,014</u>	<u>5,233,339</u>
Administrative expenses		(4,030,879)	(3,914,640)
Operating profit	5	<u>945,135</u>	<u>1,318,699</u>
Interest payable and similar charges	6	(572,756)	(543,766)
Profit before tax		<u>372,379</u>	<u>774,933</u>
Taxation credit/(charge)	7	15,833	(33,038)
Profit for the year		<u><u>388,212</u></u>	<u><u>741,895</u></u>

All results relate to the continuing activities of the Company.

The notes on pages 11 to 17 form part of these financial statements.


GRAFFAN PROPERTIES LIMITED

BALANCE SHEET AS AT 31st DECEMBER 2018

Registration No N.I. 011874

	Notes	2018 £	2017 £
Fixed assets			
Intangible assets	8	27,885	27,885
Tangible assets	9	20,111,485	18,236,909
Investments	10	1	1
		<u>20,139,371</u>	<u>18,264,795</u>
Current assets			
Stock	11	33,221	17,942
Debtors	12	205,588	205,865
Cash at bank and in hand		640,250	486,790
		<u>879,059</u>	<u>710,597</u>
Creditors: amounts falling due within one year	13	<u>(2,369,465)</u>	<u>(1,807,535)</u>
Net current liabilities		<u>(1,490,406)</u>	<u>(1,096,938)</u>
Total assets less current liabilities		<u>18,648,965</u>	<u>17,167,857</u>
Creditors: amounts falling due after more than one year	14	<u>(12,852,896)</u>	<u>(11,760,000)</u>
Net assets		<u><u>5,796,069</u></u>	<u><u>5,407,857</u></u>
Capital and reserves			
Called-up share capital	16	100	100
Profit and loss account		4,941,711	4,553,499
Revaluation reserve		854,258	854,258
Equity shareholder's funds		<u><u>5,796,069</u></u>	<u><u>5,407,857</u></u>

Approved by the Board on 15th May 2019:



 Mr Michael Holland
 Director

The notes on pages 11 to 17 form part of these financial statements.

GRAFFAN PROPERTIES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2018**

	2018	2017
	£	£
Profit for the financial year	388,212	741,895
Total comprehensive income for the year	<u>388,212</u>	<u>741,895</u>

**STATEMENT OF CHANGES IN EQUITY FOR
THE YEAR ENDED 31st DECEMBER 2018**

	Called-up share capital	Profit and loss account	Revaluation reserve	Total
	£	£	£	£
At 1st January 2017	100	3,811,604	854,258	4,665,962
Profit for the year	-	741,895	-	741,895
At 31st December 2017	100	4,553,499	854,258	5,407,857
Profit for the year	-	388,212	-	388,212
At 31st December 2018	<u>100</u>	<u>4,941,711</u>	<u>854,258</u>	<u>5,796,069</u>

The notes on pages 11 to 17 form part of these financial statements.

GRAFFAN PROPERTIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st DECEMBER 2018

	2018	2017
Notes	£	£
Operating profit	945,135	1,318,699
Depreciation including loss on disposal	460,286	385,027
Increase in stock	(15,279)	(166)
Decrease/(increase) in debtors	16,110	(3,685)
Increase in creditors	221,274	137,148
Corporation tax paid	(33,038)	-
Cash inflow from operating activities	1,594,488	1,837,023
Investing activities		
Acquisition of tangible fixed assets	(2,334,862)	(139,625)
Cash outflow from investing activities	(2,334,862)	(139,625)
Financing activities		
Interest payable and similar charges	(572,756)	(543,766)
Net repayment of bank loans	(308,911)	(540,000)
Net advance of finance lease	275,501	-
Advance of loans from associate company	1,500,000	-
Cash inflow/(outflow) from financing activities	893,834	(1,083,766)
Increase in cash in the period	153,460	613,632
Cash and cash equivalents	2018	2017
	£	£
Net cash balances as at 1st January 2018	486,790	(126,842)
Increase in cash for the period	153,460	613,632
Net cash balances as at 31st December 2018	640,250	486,790

The notes on pages 11 to 17 form part of these financial statements.

GRAFFAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

1. Company information

The Company is a private company limited by share capital incorporated in Northern Ireland. The registered office address is 40 Linenhall Street, Belfast, Northern Ireland, BT2 8BA. The principal activity of the Company is that of an hotelier.

2. Accounting policies

Statement of compliance

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

Basis of accounting

These financial statements have been prepared using the historical cost convention modified to include the revaluation of tangible fixed assets.

Turnover

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 service 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 fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes any incidental costs of acquisition and installation. Fixed assets are depreciated at rates calculated to reduce them to residual value at the end of their expected normal lives on a straight line basis. The hotel building is constantly maintained to a high standard, and as a result has an indeterminate useful life. It is the opinion of the directors that the residual value of the building will be in excess of its (revalued) cost. As a result, depreciation is not charged on the hotel building. The depreciation rates for the other categories of tangible fixed assets are as follows:

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.

GRAFFAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

2. Accounting policies (*continued*)

Stock

Stock is valued on a first in first out basis at the lower of cost or net realisable value after making due allowance for unusable items.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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.

Taxation

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.

Foreign currency

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.

GRAFFAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. Accounting policies *(continued)*

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. Turnover

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

4. Staff costs

	2018	2017
The aggregate payroll cost was:	£	£
Salaries and wages	1,529,578	1,500,050
Social security costs	111,288	115,183
Employer pension cost	19,170	16,217
	<u>1,660,036</u>	<u>1,631,450</u>

The average number of persons employed by the Company (including the Directors) during the year was 88 (2017: 89) as follows:

	2018	2017
Directors	3	3
Administration	13	11
Direct	72	75
	<u>88</u>	<u>89</u>

5. Operating profit

	2018	2017
Operating profit is stated after charging/(crediting):	£	£
Depreciation of tangible fixed assets	460,286	385,027
Auditor's remuneration - audit fees	10,000	10,000
Foreign exchange loss	456	1,415
	<u>470,742</u>	<u>396,442</u>

GRAFFAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

6. Interest payable and similar charges	2018	2017
	£	£
Bank overdraft and loans	426,493	398,766
Interest payable to group undertakings	145,000	145,000
Other interest payable	1,263	-
	<u>572,756</u>	<u>543,766</u>

7. Interest payable and similar charges	2018	2017
	£	£
UK current tax (credit)/charge	<u>(15,833)</u>	<u>33,038</u>

The taxation charge for the period differs from the reported profit multiplied by the standard UK corporation tax rate (19%). The difference is reconciled below:

Profit for the year	<u>372,379</u>	<u>774,933</u>
Multiplied by the UK corporation tax rate, 19% (2017 : 19.25%)	70,752	149,150
Effects of:		
Expenses not deductible for tax purposes	1,275	1,340
Accelerated capital allowances and other timing differences	(87,654)	(54,269)
Changes in tax rates for purposes of loss relief	(206)	-
Utilisation of losses brought forward	-	(63,183)
UK current tax (credit)/charge	<u>(15,833)</u>	<u>33,038</u>

8. Intangible fixed assets - liquor licence	2018	2017
	£	£
Cost		
As at 1st January and 31st December 2018	<u>27,885</u>	<u>27,885</u>

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.

GRAFFAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Tangible fixed assets

	Freehold land & buildings	Fixtures & fittings	Plant & equipment	Computer & office equip	Total
	£	£	£	£	£
Cost/valuation					
As at 1st January 2018	17,252,884	2,204,250	328,637	422,151	20,207,922
Additions	38,363	2,268,485	20,772	7,242	2,334,862
As at 31st December 2018	17,291,247	4,472,735	349,409	429,393	22,542,784
Depreciation					
As at 1st January 2018	-	1,359,026	242,349	369,638	1,971,013
Charge for the year	-	383,695	38,263	38,328	460,286
As at 31st December 2018	-	1,742,721	280,612	407,966	2,431,299
Net book value					
As at 31st December 2018	17,291,247	2,730,014	68,797	21,427	20,111,485
As at 31st December 2017	17,252,884	845,224	86,288	52,513	18,236,909

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. The historical cost of the hotel building incorporating fixtures and fittings is £20,909,724.

Assets held under finance lease obligations have a net book value at the year-end of £109,072 (2017: nil).

10. Investments

	2018	2017
	£	£
Cost		
As at 1st January 2018	1	1
As at 31st December 2018	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.

GRAFFAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11. Stock	2018	2017
	£	£
Goods for resale	<u>33,221</u>	<u>17,942</u>

12. Debtors	2018	2017
	£	£
Trade debtors	54,680	92,419
Prepayments and accrued income	135,075	113,446
Corporation tax recoverable	15,833	-
	<u>205,588</u>	<u>205,865</u>

13. Creditors: amounts falling due within one year	2018	2017
	£	£
Bank loans (note 15)	883,105	600,000
Trade creditors	568,976	387,273
Other tax and social security	214,955	226,433
Accruals and deferred income	250,378	250,132
Other creditors	361,462	310,659
Corporation tax	-	33,038
HP and finance lease obligations	90,589	-
	<u>2,369,465</u>	<u>1,807,535</u>

14. Creditors: amounts falling due after more than one year	2018	2017
	£	£
Bank loans (note 15)	9,717,984	10,310,000
Amounts due to group undertakings	1,450,000	1,450,000
Amounts due to associate company	1,500,000	-
HP and finance lease obligations	184,912	-
	<u>12,852,896</u>	<u>11,760,000</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 the associate company are unsecured and interest free. They are subordinated behind the secured debt.

GRAFFAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

15. 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:

	2018	2017
	£	£
Within one year	883,105	600,000
Between one and two years	885,025	600,000
Between two and five years	2,562,959	1,800,000
After more than five years	6,270,000	7,910,000
	<u>10,601,089</u>	<u>10,910,000</u>

16. Share capital

	2018	2017
	£	£
Allotted, called-up and fully paid:		
100 ordinary shares of £1	<u>100</u>	<u>100</u>

Ordinary shares carry full voting rights and entitle the holder to participate in any form of distribution.

17. Financial assets and liabilities

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

	2018	2017
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>54,680</u>	<u>92,419</u>
Financial liabilities measured at amortised cost	<u>14,971,983</u>	<u>13,284,365</u>

18. 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.

19. Ultimate controlling party

The Director, Mr M. Holland, is considered to be the ultimate controlling party.