

W & G Harrison Limited

Report and Financial Statements

Registered Number 01032929

31 December 2017

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Strategic Report for the 53 weeks ended 31 December 2017

The Directors present their strategic report on the Company for the 53 weeks ended 31 December 2017 (2016: 52 weeks ended 25 December 2016).

Principal Activity

The principal activity of the Company continued to be the operation of a short break holiday, leisure and business village in Wrea Green in Lancashire.

Business Review

The Directors are pleased to report continued growth of the business in an uncertain market and with an increasing cost base. The business achieved a turnover of £26,079,000, up from £24,770,000 in 2016, an increase of 5.3%. Operating profit for the period was £1,731,000, an increase of 16.4% from 2016 at £1,487,000.

The village is set in 110 acres and provides high quality self catering accommodation, owned holiday lodges, and a spa hotel. The village offers a range of holiday and leisure activities to holiday guests and local community, including restaurants, bars, retail, and spa facilities. The village also has its own wedding venue and a conference centre for business guests. The facilities hold multiple awards such as Visit England 5*, 5 Bubble Good Spa Guide Award, AA 2 Rosettes in The Orangery, and AA 4* Silver Award in the Hotel.

The Directors have invested heavily in the staff that work in the business, including fair rates of pay and ongoing training and development. During the year the Company was re-accredited with the Investors In People Gold Award and are ranked in the top 10 employers in this category globally. During the year, the Company was required to publish its Gender Pay Gap for the first time. The Company has a gender pay gap of 10.1%, almost 50% lower than the national average. That said the Directors are committed to reducing or eliminating the pay gap and are proud that there is already 50/50 split of men and women in the top earning quartile of the Company.

The average number of employees employed by the company continues to increase and have increased from 506 to 532 in the year ended 31 December 2017. The Company values its position as a key local employer.

The Directors have continued to re-invest profits in the business, as a result, the value of Tangible assets of the business have increased to £30,315,000 (2016: £27,493,000), an increase of 10.3%. During the year, the Company acquired the share capital of Windrush Farm Equestrian Centre Limited, and hived up the assets and liabilities.

Cash balances on hand at the end of the year amounted to £1,263,000 (2016: £1,753,000). The directors hold sufficient free-cash on hand to meet all current commitments.

In order to fund capital investment to support the future of the business, the directors refinanced the Company's loans during the year. As a result a lower cost of borrowing was secured, this in turn reduces risks of current market uncertainties on the business.

Ongoing initiatives to ensure the high standard of facilities and leverage new technology ensures that the Company will maintain its position as a 5 star holiday destination whilst improving efficiency and profitability and be able to continue to invest in staff, including in their training and development.

The Directors believe the Company will continue grow due to identified new opportunities within the Business.

Key Performance Indicators

In addition to measures of sales and operating margin, the Directors use the following Key Performance Indicators to set targets and measure performance against those targets:

- Forward Occupancy
- Occupancy
- Web Bookings vs. Telephone Bookings

The Directors also use a number of non-financial KPIs to monitor performance in areas such as health and safety, environmental impact, etc.

Principal Risks and Uncertainties

Legislative Risk

The Company works to comply fully with the letter and the spirit of the law in all that we do, and strive to exceed the legal minimum where possible. Recent changes to the law include the introduction of the General Data Protection Regulations on 25 May 2018, which will have significant implications on the way in which we market to our customers. In addition, there is uncertainty regarding the impact of Brexit and the effect this may have on the legislative landscape.

Competitive Risk

The directors believe that the structure of the business and the diversity of products and services offered creates resilience in the business, and allows the Company to provide a unique experience to our customers.

Business Risk

The Company is exposed to risks and uncertainties in respect of the impact of variations in the UK and world economies on the supply and demand of capital although the directors are confident the Company is in a position to withstand any major effect to general business trading.

Liquidity Risk

The group seeks to mitigate liquidity risk by closely managing cash flows.

Going Concern

The Directors have assessed the financial position of the Company at the end of the period. In assessing the going concern of the business they have considered the projected future trading and cash flows of the business. Using evidence available to them they have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Company will continue as a going concern for a period of at least 12 months from the date of signing the financial statements.

By order of the board



PG Harrison
Director

Ribby Hall Village
Ribby Road
Wrea Green
Lancashire
PR4 2PR

23-07 2018

Directors' Report

The directors present their Directors' Report and financial statements for the period ended 31 December 2017.

Dividends

No dividends have been distributed for the period (2016: £nil).

Charitable donations

Donations of £2,433 have been made to UK charities during the period (2016: £9,889).

Directors and directors' interests

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

Mr PG Harrison
Mrs JP Livock
Mrs S Holloway
Mr MR Partington

Employees

Regular meetings are held with employee representatives to discuss the Company's performance. Opportunity is given at such meetings for questions regarding matters concerning the employees, particularly with reference to matters concerning health and safety.

Employment policies provide equal opportunity, irrespective of sex, religion, race and marital status. Applications by persons with disabilities are given full and fair consideration and wherever practicable provision is made for their special needs. The same criteria for training and promotion apply to persons with disabilities as to any other employee. If employees become disabled every effort is made to ensure their continued employment.

Strategic report

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and reports) regulations 2008 has been included in the separate Strategic Report in accordance with Section 414C (11) of the Companies Act 2006 (strategic Report and Directors' Report) Regulations 2013.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

RSM UK Audit LLP were appointed as auditor during the year.

RSM UK Audit LLP have indicated their willingness to be re-appointed as auditor for another term and arrangements have been put in place for them to be re-appointed at the Annual General Meeting.

By order of the board



PG Harrison
Director

Ribby Hall Village
Ribby Road
Wrea Green
Lancashire
PR4 2PR

23-07 2018

Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including, *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of W & G Harrison Limited

Opinion

We have audited the financial statements W & G Harrison Limited (the 'company') for the year ended 31 December 2017 which comprise the Profit and Loss account and Other Comprehensive Income Statement, Statement of Changes in Equity, Balance Sheet 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 FRS 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 December 2017 and of the company's 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.

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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 Auditor's Report to the members of W & G Harrison Limited (*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 has 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 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 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 company 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 directors' responsibilities statement set out on page 4, 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 and 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report to the members of W & G Harrison Limited *(continued)*

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 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.

Karen SC Audit LLP

Karen Musgrave
(Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

30/1/18

Profit and Loss Account and Other Comprehensive Income
for the period ended 31 December 2017

	Note	2017 £000	2016 £000
Turnover	2	26,079	24,770
Cost of sales		<u>(5,934)</u>	<u>(5,746)</u>
Gross profit		20,145	19,024
Administrative expenses		<u>(18,414)</u>	<u>(17,537)</u>
Operating profit		1,731	1,487
Income from shares in group undertakings		1,165	-
Interest receivable and similar income	6	1	1
Interest payable and similar charges	7	(176)	(191)
Amounts written off investments	10	<u>(1,205)</u>	<u>-</u>
Profit on ordinary activities before taxation		1,516	1,297
Tax on profit on ordinary activities	8	<u>(454)</u>	<u>(358)</u>
Profit on ordinary activities after taxation		1,062	939
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive income for the year		<u>1,062</u>	<u>939</u>

All amounts relate to continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

Balance Sheet
As at 31 December 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	9	30,315	27,493
Investments	10	20	20
Current assets			
Stocks	12	1,222	1,130
Debtors	13	665	978
Cash at bank and in hand		1,263	1,753
		3,150	3,861
Creditors: amounts falling due within one year	14	(10,106)	(10,073)
Net current liabilities		(6,956)	(6,212)
Total assets less current liabilities		23,379	21,301
Creditors: amounts falling due after more than one year	15	(7,004)	(6,048)
Provisions for liabilities and charges	17	(317)	(257)
Net assets		16,058	14,996
Capital and reserves			
Called up share capital	18	1,000	1,000
Profit and loss account	18	15,058	13,996
Shareholders' funds	18	16,058	14,996

The notes on pages 11 to 20 form part of these financial statements.

These financial statements were approved by the board of directors on 23-07-18 and were signed on its behalf by:



PG Harrison
Director

Registered number 01032929

Statement of Changes in Equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 27 December 2015	1,000	13,057	14,057
Total comprehensive income for the period			
Profit or loss	-	939	939
Balance at 25 December 2016	1,000	13,996	14,996
	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 25 December 2016	1,000	13,996	14,996
Total comprehensive income for the period			
Profit or loss	-	1,062	1,062
Balance at 31 December 2017	1,000	15,058	16,058

The notes on pages 11 to 20 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

W & G Harrison Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the large and medium sized companies and groups (Accounts and Reports Regulations) 2008. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Dowbridge Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Dowbridge Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes
- Key Management Personnel compensation; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. The company owns a majority shareholding in Ribby Hall Management Company Limited however it is not consolidated on the basis that the company is not material to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting basis. The accounting 'year' for the Company is a 53 week period ended 31 December 2017 (2016: 52 week period ended 25 December 2016).

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1.

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

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Lodge and static unit sales are recognised upon the completion of contractual obligations. Reservations for accommodation, banqueting and conferencing are recognised in the period that the service is provided. Most other sales are cash based and are recognised at the point of the transaction.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets. The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	-	2% on cost
Plant and machinery	-	20% on cost
Fixtures, fittings and equipment	-	10%/20% on cost
Computer equipment	-	20% on cost
Motor vehicles	-	25% on cost

No depreciation is provided on assets in the course of construction.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Notes (continued)

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Interest receivable and payable

Interest income and payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Accounting estimates and judgements

Key sources of estimation uncertainty and critical accounting judgements

In the course of normal operating activities management uses its judgement to establish the net reliable value of its stocks. Obsolete or slow moving stocks are provided for.

Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

Notes (continued)

3 Operating profit

Included in profit/loss are the following:

	2017 £000	2016 £000
Depreciation	1,543	1,660
Audit of these financial statements	19	18
Amounts receivable by the company's auditor and its associates in respect of:		
The audit of the company's parent pursuant to legislation	1	1
Tax compliance services	5	6
	<u>5</u>	<u>6</u>

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

	2017 No	2016 No
Management and administration	34	33
Operations	498	473
	<u>532</u>	<u>506</u>

The aggregate payroll cost of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	8,790	8,126
Social security costs	700	655
Other pension costs	182	189
	<u>9,672</u>	<u>8,970</u>

The Company operates a company defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £182,000 (2016: £189,000).

5 Directors' remuneration

	2017 £000	2016 £000
Emoluments for qualifying services	754	715
Company pension contributions to money purchase schemes	28	47
	<u>782</u>	<u>762</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to two (2016: two). Emoluments disclosed above include the following amounts paid to the highest paid director.

	2017 £000	2016 £000
Emoluments for qualifying services	527	510
Company pension contributions to money purchase schemes	20	19

Notes (continued)

6 Interest receivable and similar income

	2017 £000	2016 £000
Bank interest	1	1

7 Interest payable and similar charges

	2017 £000	2016 £000
Bank loans and overdrafts	150	139
Other interest	26	52
	<u>176</u>	<u>191</u>

8 Taxation

Total tax expense recognised in the profit and loss account

Analysis of charge in period:

	2017 £000	2016 £000
<i>UK corporation tax</i>		
Current tax on income for the period	397	422
Adjustment in respect of prior years	(4)	(26)
Total current tax	393	396
<i>Deferred tax</i>		
Adjustment in respect of prior years	59	(50)
	2	12
Total deferred tax	61	(38)
Tax on profit on ordinary activities	<u>454</u>	<u>358</u>

The current tax charge for the period is higher (2016: higher) than the standard rate of corporation tax in the UK of 19% (2016: 20%).

Reconciliation of effective tax rate

	£000	£000
Profit for the year	1,062	939
Total tax expense	454	358
Profit excluding taxation	<u>1,516</u>	<u>1,296</u>
Tax using the UK corporation tax rate of 19.25% (2016: 20%)	292	259
Ineligible for capital allowances	473	124
Group income	(224)	-
Deferred tax not recognised	(68)	-
Net tax adjustments and transfers	-	(11)
Adjustment in respect of prior years	(2)	(14)
Reduction in tax rate on deferred tax balances	(17)	-
Total tax for the year	<u>454</u>	<u>358</u>

Notes (continued)

The main rate of Corporation Tax has reduced from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) these changes were substantially enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2017 has been calculated based on these rates.

9 Tangible fixed assets

	Land and buildings freehold £000	Plant and machinery £000	Fixtures, fittings & equipment £000	Computer equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost							
At start of the period	32,610	637	6,523	904	240	325	41,239
Additions	2,931	180	1,098	56	116	-	4,381
Transfers	5	-	320	-	-	(325)	-
Disposals	-	(10)	(1,138)	-	-	-	(1,148)
At 31 December 2017	35,546	807	6,803	960	356	-	44,472
Depreciation							
At start of the year	7,942	550	4,504	584	166	-	13,746
Charge for the year	663	42	687	145	6	-	1,543
Transfers	-	-	-	-	-	-	-
Disposals	-	(10)	(1,122)	-	-	-	(1,132)
At 31 December 2017	8,605	582	4,069	729	172	-	14,157
Net book value							
At 31 December 2017	26,941	225	2,734	231	184	-	30,315
At 26 December 2016	24,668	87	2,019	320	74	325	27,493

10 Fixed asset investments

	2017 £000	2016 £000
Investments in subsidiary undertakings	-	-
Other investments	20	20
	20	20

During the year the Company acquired a subsidiary undertaking. The assets and liabilities of the subsidiary were hived up to W. & G. Harrison Ltd during the year, and the value of the investment impaired by £1,205,000. Windrush Fam Equestrian Centre Ltd was dissolved on 20 March 2018.

The undertaking in which the company's interest at the year end is more than 25% is as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Proportion of shares held by parent
Windrush Farm Equestrian Centre Limited	England and Wales	Equestrian Centre	100%

Notes (continued)

11 Business combinations

	Vendors' book value £000	Fair value to the group £000
Assets and liabilities acquired		
Tangible fixed assets	547	1,450
Stocks	-	-
Debtors	-	-
Cash at bank	-	-
Trade creditors	-	-
Other creditors and provisions	(262)	-
Deferred tax liability	-	-
Bank Loans	-	-
	-	-
Net Assets Acquired	<u>285</u>	<u>1,450</u>
Satisfied by		
Consideration:		1,450
Cash consideration		<u>1,450</u>
Goodwill being amortised		<u>-</u>

On 2 February 2017, W. & G. Harrison Limited acquired 100% of the share capital of Windrush Farm Equestrian Centre Limited. Windrush Farm Equestrian Centre Limited is incorporated in England and Wales and until its acquisition, its principal activity was the provision of livery facilities. The summarised profit and loss account for Windrush Farm Equestrian Centre Limited from 30 April 2016 to the date of acquisition (2 February 2017) was as follows:

	£000
Turnover	<u>3</u>
Gross Profit	<u>3</u>
Loss before tax	<u>(14)</u>

12 Stocks and work in progress

	2017 £000	2016 £000
Finished goods and goods for resale	<u>1,222</u>	<u>1,130</u>
	<u>1,222</u>	<u>1,130</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year in Company amounted to £5,801,000 (2016: £5,686,000). The write-down of stocks to net realisable value in Company amounted to £nil (2016: £36,000).

Notes (continued)

13 Debtors

	2017 £000	2016 £000
Trade debtors	299	462
Other debtors	16	18
Prepayments and accrued income	350	498
	<u>665</u>	<u>978</u>

14 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Bank loans and overdrafts	483	855
Other loans	2,702	2,290
Payments received on account	2,766	2,826
Trade creditors	1,206	1,721
Corporation tax	270	155
Other taxes and social security costs	202	163
Other creditors	1,302	1,108
Accruals and deferred income	1,175	995
	<u>10,106</u>	<u>10,073</u>

15 Creditors: amounts falling after more than one year

	2017 £000	2016 £000
Bank loans	4,024	2,446
Amounts owed to group undertakings	2,980	3,602
	<u>7,004</u>	<u>6,048</u>

16 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2017 £000	2016 £000
Within one year	3,185	3,145
Between one and two years	545	896
Between two and five years	1,393	1,551
More than five years	5,066	3,601
	<u>10,189</u>	<u>9,193</u>

Notes (continued)

16 Interest-bearing loans and borrowings (continued)

The bank facilities are secured by a first legal charge over the Company's property. The bank loans are repayable monthly. Amounts owed to group undertakings have no specific repayment terms and are therefore not included in the maturity analysis.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2017 £000	2016 £000
Libor Loan	Sterling	2.25%	2026	Monthly	-	2,983
Term Loan	Sterling	1.75%	2017	Monthly	-	318
Term Loan	Sterling	2.50%	2027	Monthly	2,707	-
Term Loan	Sterling	2.50%	2028	Monthly	1,800	-
					<u>4,507</u>	<u>3,301</u>

17 Provisions for liabilities and charges

	Deferred tax liability £000
Balance at 25 December 2016	257
Profit and loss account	60
Balance at 31 December 2017	<u>317</u>

The deferred tax liability is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	<u>317</u>	<u>257</u>

18 Capital and reserves

	2017 £000	2016 £000
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Called up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

19 Capital Commitments

There were no capital commitments in the current or prior year.

Notes (continued)

20 Related party transactions

Identity of related parties with which the Company has transacted

During the year the company purchased services of £39,000 from Lancashire Homes Limited (2016: £39,000). PG Harrison has shares in both W & G Harrison Limited and Lancashire Homes Limited. Outstanding at year end was £nil. (2016: £nil).

During the year the company paid management charges of £15,600 (2016: £15,600) to Ribby Hall Management Company Limited, they also received income of £5,000 from Ribby Hall Management Company Limited. The company is a subsidiary of W&G Harrison Limited, however, it is not material to the financial statements and is therefore not consolidated on this basis.

Other loans

Lancashire Homes Limited loaned the company £23,234 as at the year end (2016: £28,611).

PG Harrison, J Harrison, J Livock, W Harrison, S Harrison, P Bennett, J Bennett, J Bennett, and E Bennett have loaned the Company a total of £2,688,308 (2016: £2,261,434), interest of £nil (2017: £nil) accrued on these loans to the end of the year.

21 Ultimate parent company

The Company is a wholly owned subsidiary of Dowbridge Limited. Dowbridge Limited is a Company registered in the United Kingdom. The consolidated financial statements of Dowbridge Limited, which is the only undertaking that prepares group accounts including the financial statements of this company, can be obtained from Companies House, Crown Way, Cardiff.

The ultimate controlling party is PG Harrison, director of W. & G. Harrison Limited and shareholder and director of the Group parent company, Dowbridge Limited.