

Company Registration No. 00220638 (England and Wales)

GORING HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

FRIDAY



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GORING HOLDINGS LIMITED

COMPANY INFORMATION

Directors G.E. Goring Esq. O.B.E.
J.C.R. Goring Esq.
J.C.B. Goring Esq.
Mrs C. Conner
D. Morgan-Hewitt Esq.

Secretary Cripps LLP

Company number 00220638

Registered office 15 Beeston Place
Grosvenor Gardens
London
SW1W 0JW

Auditor Alliotts
Imperial House
8 Kean Street
London
WC2B 4AS

Business address The Goring Hotel
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London
SW1W 0JW

GORING HOLDINGS LIMITED

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GORING HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their strategic report and financial statements for the year ended 31 March 2018.

Fair review of the business

The group's largest trading subsidiary is The Goring Hotel Limited.

The Goring, a historic luxury hotel in London's Belgravia district that is famed for its independent style and modern British cuisine, has had a successful year of trading with revenue increasing across all major revenue streams and costs being well controlled which has led to the improvement in the company's profitability this year. While growing revenue, the Hotel has maintained both its impeccable service and relentless focus on the guest experience. The Hotel's staff and management team have been key to the Hotel's performance and outstanding reputation.

We are proud to confirm that The Goring Dining Room successfully retained its Michelin Star in the 2018 publication, and our dedicated team achieved one of the highest review scores, worldwide, from Forbes Travel Guide. The Goring remains the only hotel to have been granted a Royal Warrant from HM The Queen.

Both of the company's French subsidiaries, Le Manoir de Lezurec and La Maison Goring Sarl, have had a satisfactory performance during the year, meeting the group's expectations. The company's property, the Chapel, is establishing itself as a luxury holiday destination in Cornwall.

Given the above and the results detailed in these accounts, the Directors are satisfied with the performance of the Group during the year and are expecting a similar performance for the year ahead.

Principal risks and uncertainties

The principal risk and uncertainty facing the group that could have a material effect on the group's business activities is the general economic environment due to its close alignment with the performance of the hotel industry. Adverse economic conditions in North America and Europe as well as the process of Brexit could have a material effect on the performance of the group. The group recognises that there is continued pressure on the business from the increases in the supply of luxury accommodation in London.

The group manages this risk through offering an unparalleled level of service to its guests, the high standards of the facilities offered to guests and, in relation to The Goring Hotel, through its unique position in the market as the last luxury hotel in central London still run by the family that built it. These factors serve to reduce the financial impact arising from any adverse economic conditions that may occur. The improved economic outlook in the UK and the USA appears to have reduced the risk of adverse economic conditions having a material effect on the group.

The group's operations expose it to a variety of financial risks that include market risk, credit risk, liquidity and cash flow risk.

Market risk is managed as outlined above.

Credit risk arises from the use of facilities provided by the group's bankers to fund its refurbishment programme and the activities of the group. The provision of the facilities entail obligations on the company to meet the conditions on which they are provided. These conditions are reviewed regularly by management to ensure compliance throughout the year and the directors are confident that they will continue to be able to secure these facilities when required.

Liquidity and cash flow risk is managed by the group maintaining adequate reserves and by monitoring forecast and actual cash flows to ensure that the group has continuity of funding in order to finance the company's operations.

The group's principal financial instruments comprise bank balances, bank loans, trade creditors and trade debtors. The main purpose of these instruments is to enable the management of the group's working capital in order to finance the group's operations. Due to the nature of the financial instruments there is no exposure to price risk.

GORING HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Analysis of development and performance during the year and position at the year end

In spite of the risks which are highlighted above, many of which the group faces each year, The Goring Hotel has performed well in the year with an improvement to overall revenue and maintaining a high gross profit margin. As a result of the stable performance of the company's subsidiaries during the year, the directors consider the results for the year and the financial position at the year end as shown in the accounts to be satisfactory. The group is in an excellent position to push forward with management's plans to offer guests an ever more unparalleled level of service and higher quality of facilities to enjoy.

Analysis based on key performance indicators

The key non-financial performance indicators of the business are as follows:

- Excellent reviews in major industry rating systems
- Staff retention at a senior level being stable
- The maintenance of existing accolades and awards

The group's trading subsidiaries have met all of the above and continue to go from strength to strength.

In terms of financial performance indicators

A marginal increase in the group's gross profit margin of 0.2% (2018: 85.2%; 2016: 85.0%) has occurred due to the 5% increase in turnover which has led to a gross profit of £13,368,352 (2017: £12,701,103).

Administrative expenses are higher (2018: £12,030,655; 2017: £11,536,883) due to general price inflation, higher levels of staffing, and continuing high levels of expenditure on decorations, repairs, and renewals.

Group net assets increased by 10.8% (2018: £11,870,187; 2017: £10,706,822) due to profit retention. The increase in the group's net current assets (2018: £854,285; 2017: £14,950) is primarily due to the improved trade during the year and retention of profit which has resulted in positive cash flow and an increase in current assets.

Future developments

Whilst the future prospects of the group are dependent on the general state of the economy, as it affects the hotel and conference industry, the directors consider that the work undertaken in recent years in terms of promoting, renovating, and refurbishing the hotel in the main subsidiary, The Goring Hotel Limited, combined with our continued focus and future plans to sustain this momentum, should result in stable revenue growth going forward.

On behalf of the board

J.C.R. Goring Esq.

Director

12 October 2018



GORING HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the group continued to be that of operating The Goring Hotel, London SW1, The Chapel, Cornwall, Le Manoir de Lezurec, France and Villa Iduzkia, France.

Directors

The following directors have held office since 01 April 2015:

G.E. Goring Esq. O.B.E.

R.H. Goring Esq.

(Resigned 21 June 2018)

J.C.R. Goring Esq.

J.C.B. Goring Esq.

Mrs C. Conner

D. Morgan-Hewitt Esq.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £96,000. The directors do not recommend payment of a further dividend.

Statement of directors' responsibilities

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 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information referred to in Strategic Report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

GORING HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

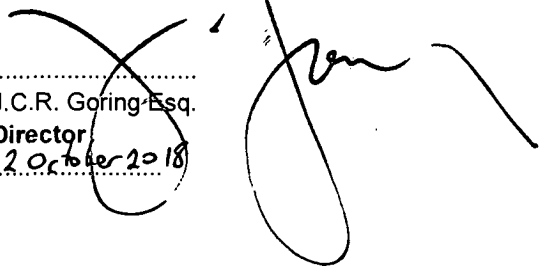
FOR THE YEAR ENDED 31 MARCH 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

J.C.R. Goring Esq.
Director
12 October 2018



GORING HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GORING HOLDINGS LIMITED

Opinion

We have audited the financial statements of Goring Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 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 group's and the parent company's affairs as at 31 March 2018 and of the group'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 group's or the parent 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 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.

GORING HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GORING HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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, 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 group's and the parent 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 group or the parent 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.

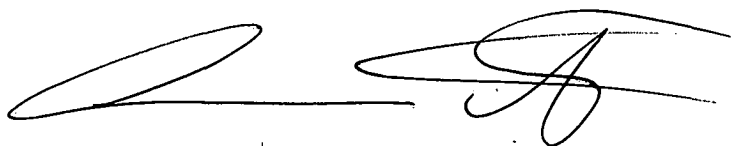
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

GORING HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GORING HOLDINGS LIMITED

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.



Christopher Mantel (Senior Statutory Auditor)
for and on behalf of Alliotts

23/4/18

**Chartered Accountants
Statutory Auditor**

Imperial House
8 Kean Street
London
WC2B 4AS

GORING HOLDINGS LIMITED

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Revenue	3	15,681,522	14,935,629
Cost of sales		(2,313,170)	(2,234,526)
Gross profit		13,368,352	12,701,103
Administrative expenses		(12,030,655)	(11,536,883)
Other operating income		-	14,807
Operating profit	4	1,337,697	1,179,027
Finance costs	8	(262)	(5,526)
Other gains and losses		155,164	19,925
Profit before taxation		1,492,599	1,193,426
Tax on profit	9	(235,395)	(231,105)
Profit for the financial year		1,257,204	962,321

Profit for the financial year is all attributable to the owners of the parent company.

The Income Statement has been prepared on the basis that all operations are continuing operations.

GORING HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Profit for the year	1,257,204	962,321
Other comprehensive income		
Currency translation differences	2,161	6,345
Total comprehensive income for the year	<u>1,259,365</u>	<u>968,666</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

GORING HOLDINGS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Property, plant and equipment	11	6,116,614		5,967,569	
Investment properties	12	5,675,089		5,519,925	
Investments	13	100		100	
		<u>11,791,803</u>		<u>11,487,594</u>	
Current assets					
Inventories	16	930,028		885,232	
Trade and other receivables	17	1,534,582		1,988,306	
Cash at bank and in hand		2,099,074		939,404	
		<u>4,563,684</u>		<u>3,812,942</u>	
Current liabilities	18	<u>(3,709,399)</u>		<u>(3,797,992)</u>	
Net current assets			854,285		14,950
Total assets less current liabilities			<u>12,646,088</u>		<u>11,502,544</u>
Provisions for liabilities	19		<u>(775,901)</u>		<u>(795,722)</u>
Net assets			<u><u>11,870,187</u></u>		<u><u>10,706,822</u></u>
Equity					
Called up share capital	21	22,473		22,473	
Revaluation reserve		3,559,350		3,384,365	
Capital redemption reserve		42,779		42,779	
Retained earnings		8,245,585		7,257,205	
Total equity			<u><u>11,870,187</u></u>		<u><u>10,706,822</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12 October 2018 and are signed on its behalf by:

J.C.R. Goring Esq.
Director

GORING HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Property, plant and equipment	11	1,108,875		1,125,127	
Investments	13	3,246,127		3,288,401	
		<u>4,355,002</u>		<u>4,413,528</u>	
Current assets					
Trade and other receivables	17	541,962		708,715	
Cash at bank and in hand		12,689		124,208	
		<u>554,651</u>		<u>832,923</u>	
Current liabilities	18	(1,521,976)		(1,793,599)	
Net current liabilities			(967,325)		(960,676)
Total assets less current liabilities			<u>3,387,677</u>		<u>3,452,852</u>
Equity					
Called up share capital	21	22,473		22,473	
Capital redemption reserve		42,779		42,779	
Retained earnings		3,322,425		3,387,600	
Total equity			<u>3,387,677</u>		<u>3,452,852</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £30,825 (2017 - £267,601 loss).

The financial statements were approved by the board of directors and authorised for issue on 12 October 2018 and are signed on its behalf by:

.....
J.C.R. Goring Esq.
Director

Company Registration No. 00220638

GORING HOLDINGS LIMITED

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

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 April 2016		22,471	3,353,483	42,779	6,319,421	9,738,154
Year ended 31 March 2017:						
Profit for the year		-	-	-	962,321	962,321
Other comprehensive income:						
Currency translation differences		-	-	-	6,345	6,345
Total comprehensive income for the year		-	-	-	968,666	968,666
Issue of share capital	21	2	-	-	-	2
Transfers		-	30,882	-	(30,882)	-
Balance at 31 March 2017		22,473	3,384,365	42,779	7,257,205	10,706,822
Year ended 31 March 2018:						
Profit for the year		-	-	-	1,257,204	1,257,204
Other comprehensive income:						
Currency translation differences on overseas subsidiaries		-	-	-	2,161	2,161
Total comprehensive income for the year		-	-	-	1,259,365	1,259,365
Dividends	10	-	-	-	(96,000)	(96,000)
Transfers		-	174,985	-	(174,985)	-
Balance at 31 March 2018		22,473	3,559,350	42,779	8,245,585	11,870,187

GORING HOLDINGS LIMITED

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

		Share capital	Revaluation reserve	Capital redemption reserve	Retained earnings	Total
	Notes	£	£	£	£	£
Balance at 1 April 2016		22,471	599,713	42,779	3,055,488	3,720,451
Year ended 31 March 2017:						
Loss and total comprehensive income for the year		-	-	-	(267,601)	(267,601)
Issue of share capital	21	2	-	-	-	2
Transfers		-	(599,713)	-	599,713	-
Balance at 31 March 2017		22,473	-	42,779	3,387,600	3,452,852
Year ended 31 March 2018:						
Profit and total comprehensive income for the year		-	-	-	30,825	30,825
Dividends	10	-	-	-	(96,000)	(96,000)
Balance at 31 March 2018		22,473	-	42,779	3,322,425	3,387,677

GORING HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	25	1,814,393		1,621,709	
Interest paid		(262)		(5,526)	
Income taxes paid		(327,558)		(422,821)	
Net cash inflow from operating activities		<u>1,486,573</u>		<u>1,193,362</u>	
Investing activities					
Purchase of property, plant and equipment		(255,304)		(112,897)	
Proceeds on disposal of property, plant and equipment		<u>24,401</u>		<u>-</u>	
Net cash used in investing activities		(230,903)		(112,897)	
Financing activities					
Dividends paid to equity shareholders		<u>(96,000)</u>		<u>-</u>	
Net cash used in financing activities		(96,000)		-	
Net increase in cash and cash equivalents		<u>1,159,670</u>		<u>1,080,465</u>	
Cash and cash equivalents at beginning of year		<u>939,404</u>		<u>(141,061)</u>	
Cash and cash equivalents at end of year		<u><u>2,099,074</u></u>		<u><u>939,404</u></u>	

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Goring Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Goring Hotel, 15 Beeston Place, Grosvenor Gardens, London, SW1W 0JW.

The group consists of Goring Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £30,825 (2017 - £267,601 loss).

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Goring Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and value added tax.

Revenue is recognised for hotel, restaurant, accommodation rentals, and ancillary services as those services are provided to customers.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Expenditure on development, including major replacement and improvement of assets, is capitalised under the appropriate heading of land and buildings or fixtures, fittings, and equipment. Land and buildings includes the costs associated with structural improvements to freehold and long-term leasehold properties. The cost of replacement of glass and china and certain other loose equipment is charged to profit or loss in the year in which it is incurred.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land freehold	Nil
Buildings freehold	Nil, 2% and 5% per annum on cost
Land and buildings Leasehold	equal annual instalments over the term of the lease - 71, 99 & 123 years
Fixtures, fittings & equipment	5% to 33% per annum on cost
Motor vehicles	20% per annum on cost

Depreciation is not charged on certain freehold land and buildings as the company has a policy and practice of maintaining the property to a high standard and accordingly retains a residual value not less than carrying value and a long useful life. Accordingly, any depreciation and accumulated depreciation are immaterial.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Non-current investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets (other than those accounted for at fair value through profit or loss) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.9 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the purchase price of goods and, where appropriate, an apportionment of long-term storage costs.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities and are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Contributions payable to the group's defined contribution pension schemes are charged to the profit and loss account for the year to which they relate.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on translation are included in the income statement for the period.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

Revenue is recognised upon the date of the provision of services from both hotel and restaurant operations and from holiday lettings, the principal revenue source being the occupation of hotel rooms. The directors consider that this is when it is probable that the economic benefits associated with the provision of the service will flow to the entity since only upon guest check-in to the hotel does the hotel have an obligation to the guest to provide a service.

Tangible assets

The directors determine whether there are indicators of impairment on the group's tangible assets. In particular since depreciation is not charged on freehold land and buildings the directors assess whether there are indicators of impairment on the freehold land and buildings that would result in a change in the estimate of the residual value of the assets, depreciation method or useful life. Factors taken into consideration in reaching such a decision include changes in market prices and expected future financial performance of the asset.

Property, plant and equipment

Properties that are used, or that the group proposes to use, for the provision of guest accommodation that includes a significant level of ancillary services, such as housekeeping and concierge services, are classified under Property, Plant and Equipment and measured accordingly.

Investment property

The directors review the hotel property held by the group and the intent of holding that property and decide whether it meets the definition of investment property.

In determining the valuation of investment property the directors carry out an annual valuation which is based on market prices and estimates in the local area for similar properties and taking into account the current condition of the property and buoyancy of the property market.

Any changes in fair value of the investment property are reflected in profit or loss for the relevant year.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Property, plant and equipment

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives and residual value the directors assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment property

Investment property is stated at fair value based on the valuation performed by the directors who have current knowledge regarding the location and category of property valued. They used observable market prices adjusted as necessary for location and condition of the property,

Impairment of receivables

The group makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the the age profile of receivables, historical experience and the financial position of the debtor.

Inventory provisioning

The group sells wine and spirits which are subject to change in price due to changing consumer demands and trends. As a result the wine and spirits held by the group are reviewed on a regular basis to ensure that the inventory is held at the lower of cost and estimated selling price. This mitigates the need for an inventory provision.

3 Revenue

An analysis of the group's revenue is as follows:

	2018 £	2017 £
Turnover		
Hotel operations and holiday lets	15,681,522	14,710,094
Other income	-	225,535
	<u>15,681,522</u>	<u>14,935,629</u>

Revenue analysed by geographical market

	2018 £	2017 £
United Kingdom	15,450,890	14,732,811
France	230,632	202,818
	<u>15,681,522</u>	<u>14,935,629</u>

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(72,053)	(212,164)
Depreciation of owned property, plant and equipment	170,642	135,309
Profit on disposal of property, plant and equipment	(15,916)	-
Cost of inventories recognised as an expense	2,313,170	2,234,526
Operating lease charges	26,827	25,854
	<u>26,827</u>	<u>25,854</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £72,053 (2017 - £212,164).

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group and company	6,700	6,500
Audit of the financial statements of the company's subsidiaries	19,000	18,500
	<u>25,700</u>	<u>25,000</u>

6 Employees

The average monthly number of persons (including executive directors) employed by the group during the year was:

	2018 Number	2017 Number
Management staff	26	26
Other staff	171	162
	<u>197</u>	<u>188</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	6,173,745	5,441,619
Social security costs	573,305	509,880
Pension costs	75,311	71,390
	<u>6,822,361</u>	<u>6,022,889</u>

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	1,333,144	1,139,073
Company pension contributions to defined contribution schemes	27,000	27,000
	<u>1,360,144</u>	<u>1,166,073</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	968,952	778,785
Company pension contributions to defined contribution schemes	27,000	27,000
	<u>995,952</u>	<u>805,785</u>

8 Finance costs

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	2,359
Other finance costs:		
Other interest	262	3,167
	<u>262</u>	<u>3,167</u>
Total finance costs	<u>262</u>	<u>5,526</u>

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	240,573	219,352
Adjustments in respect of prior periods	(954)	264
	<u>239,619</u>	<u>219,616</u>
Deferred tax		
Origination and reversal of timing differences	(4,224)	11,489
	<u>(4,224)</u>	<u>11,489</u>
Total tax charge for the year	<u>235,395</u>	<u>231,105</u>

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	1,492,599	1,193,426
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	283,594	238,685
Tax effect of expenses that are not deductible in determining taxable profit	29,248	57,575
Tax effect of utilisation of tax losses not previously recognised	(5,914)	(6,693)
Permanent capital allowances in excess of depreciation	339	(90)
Effect of overseas tax rates	(22,476)	(49,273)
Under/(over) provided in prior years	(954)	264
Changes in tax rates	(38,926)	-
Indexation	(9,516)	(9,363)
Taxation charge for the year	235,395	231,105

10 Dividends

	2018 £	2017 £
Interim paid	96,000	-

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

11 Property, plant and equipment

Group	Land Freehold	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2017	6,600,197	121,686	813,140	74,150	7,609,173
Additions	129,703	-	125,601	-	255,304
Disposals	-	-	(790)	(41,542)	(42,332)
Exchange adjustments	98,000	-	6,597	-	104,597
At 31 March 2018	6,827,900	121,686	944,548	32,608	7,926,742
Depreciation and impairment					
At 1 April 2017	1,034,529	64,450	499,076	43,549	1,641,604
Depreciation charged in the year	47,368	1,698	109,175	12,401	170,642
Eliminated in respect of disposals	-	-	(614)	(33,233)	(33,847)
Exchange adjustments	25,430	-	6,299	-	31,729
At 31 March 2018	1,107,327	66,148	613,936	22,717	1,810,128
Carrying amount					
At 31 March 2018	5,720,573	55,538	330,612	9,891	6,116,614
At 31 March 2017	5,565,669	57,236	314,063	30,601	5,967,569
Company	Land Freehold	Fixtures, fittings & equipment	Motor vehicles	Total	
	£	£	£	£	
Cost					
At 1 April 2017 and 31 March 2018	1,022,445	121,594	20,463	1,164,505	
Depreciation and impairment					
At 1 April 2017	8,580	24,318	6,480	39,378	
Depreciation charged in the year	-	12,159	4,093	16,252	
At 31 March 2018	8,580	36,477	10,573	55,630	
Carrying amount					
At 31 March 2018	1,013,865	85,117	9,890	1,108,875	
At 31 March 2017	1,013,865	97,276	13,983	1,125,127	

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

11 Property, plant and equipment

(Continued)

The carrying value of land and buildings comprises:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Freehold	5,720,573	5,565,668	1,013,868	1,013,868
Short leasehold	55,538	57,236	-	-
	<u>5,776,111</u>	<u>5,622,904</u>	<u>1,013,868</u>	<u>1,013,868</u>

12 Investment property

	Group 2018 £	Company 2018 £
Fair value		
At 1 April 2017 and 31 March 2018	5,519,925	-
Net gains or losses through fair value adjustments	155,164	-
	<u>5,675,089</u>	<u>-</u>
At 31 March 2018		

Investment properties comprise 2 Victoria Square and 7 Grosvenor Gardens Mews East. The fair value of the investment properties has been arrived at on the basis of a directors valuation carried out at 31 March 2018. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties and taking into account the current condition of the properties at the end of the reporting period.

Investment property comprises [XXX]. The fair value of the investment property has been arrived at on the basis of a valuation carried out at [XXX] by [XXX] Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	86,154	86,154
Loans to subsidiaries	14	-	-	3,159,873	3,202,147
Unlisted investments		100	100	100	100
		<u>100</u>	<u>100</u>	<u>3,246,127</u>	<u>3,288,401</u>

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

13 Fixed asset investments (Continued)

Movements in non-current investments

Group	Shares £
Cost or valuation	
At 1 April 2017 & 31 March 2018	100
Carrying amount	
At 31 March 2018	100
At 31 March 2017	100

Movements in non-current investments Company

	Loans £	Shares £	Total £
Cost or valuation			
At 31 March 2018	3,202,147	86,254	3,288,401
Disposals	(42,274)	-	(42,274)
At 31 March 2018	3,159,873	86,254	3,246,127
Carrying amount			
At 31 March 2018	3,159,873	86,254	3,246,127
At 31 March 2017	3,202,147	86,254	3,288,401

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
La Maison Goring Sarl	30 Avenue De La Frande Plage, Villa Iduskia, 64210 Bidart, France	Operating Villa Iduskia, France	Ordinary	100.00
SNC Le Manoir de Lezurec Spa Goring	Manoir De Lezurec, 29770 Primelin, France	Operating Le Manoir de Lezurec, France	Ordinary	100.00
The Goring Hotel Limited	15 Beeston Place, London, United Kingdom, SW1W 0JW	Operating the Goring Hotel, London SW1	Ordinary	100.00

The investments in subsidiaries are all stated at cost. All subsidiaries are included in these consolidated financial statements.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

15 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	960,420	1,215,447	3,431,077	3,472,385
Equity instruments measured at cost less impairment	100	100	100	100
Carrying amount of financial liabilities				
Measured at amortised cost	2,741,838	2,954,989	1,310,300	1,757,060

16 Inventories

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	930,028	885,232	-	-

The replacement cost of inventory exceeds the statement of financial position amount by approximately £621,000.

17 Trade and other receivables

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade receivables	462,584	452,159	1,204	238
Other receivables	497,836	763,288	270,000	270,000
Prepayments and accrued income	523,773	676,221	270,758	438,477
	1,484,193	1,891,668	541,962	708,715
Amounts falling due after one year:				
Corporation tax recoverable	48,790	79,442	-	-
Deferred tax asset (note 19)	1,599	17,196	-	-
	50,389	96,638	-	-
Total debtors	1,534,582	1,988,306	541,962	708,715

The company has made an interest free unsecured loan of £270,000 (2017 - £270,000) to The Goring Hotel Employees Benefit Trust. This amount is shown within other receivables.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

18 Current liabilities

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade payables	1,498,892	1,362,078	2,172	888
Amounts due to group undertakings	-	-	1,006,408	1,294,654
Corporation tax payable	95,348	213,939	-	-
Other taxation and social security	872,213	629,064	211,676	36,539
Other payables	376,905	264,410	14,882	10,566
Accruals and deferred income	866,041	1,328,498	286,838	450,949
	<u>3,709,399</u>	<u>3,797,989</u>	<u>1,521,976</u>	<u>1,793,596</u>

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Group				
Decelerated capital allowances	-	-	1,599	17,196
Investment property	775,901	795,722	-	-
	<u>775,901</u>	<u>795,722</u>	<u>1,599</u>	<u>17,196</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 April 2017	778,526	-
Credit to profit or loss	(4,224)	-
Deferred tax on transfer of asset to group company	-	(115,638)
Liability/(asset) at 31 March 2018	<u>774,302</u>	<u>(115,638)</u>

The deferred tax liability set out above is not expected to reverse within 12 months and relates to revaluations on investment property which are not expected to mature in the foreseeable future. The deferred tax asset set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

The group has taxable losses amounting to £1,192,277 (2017: £1,215,307) carried forward at the balance sheet date. These represent losses where there is insufficient certainty of offset against future profits.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

20 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	75,311	71,390

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

	Group and company	
	2018	2017
Ordinary share capital	£	£
Issued and fully paid		
15,435 B Ordinary shares of £1 each	15,435	15,435
7,038 A Ordinary shares of £1 each	7,038	7,038
	<u>22,473</u>	<u>22,473</u>

'A' Ordinary Shares :

'A' Ordinary shareholders are not entitled to receive any dividend or other distributions.

In the event of a winding up of the company the 'A' shareholders are entitled to be paid, out of the surplus assets of the company, the amount paid or credited as paid up on the 'A' shares after the return of all capital paid up or credited as paid up on all other classes of shares in the capital of the company.

'A' shareholders have the right to vote at all general meetings. On a poll, so long as one or more 'A' shares are held by a director or directors the 'A' shares so held shall confer on their holder the right to cast seventy five per cent of all votes attached to 'A' shares capable of being cast and when there is more than one director holding 'A' shares the votes attributable to the 'A' shares shall be divided between such directors on a per capita basis.

'B' Ordinary Shares :

The 'B' shareholders are entitled to be paid out of the profits of the company available for distribution a dividend to be decided upon annually by the directors. The minimum dividend shall never amount to less than ten per cent of the annual profits of the Group available in any one year for distribution.

In winding up, the liquidator may divide among the 'B' shareholders in specie the whole or any part of the assets of the company.

The 'B' shareholders are only entitled to vote at a meeting if any part of the dividend on the 'B' shares is in arrears or a resolution is proposed: to alter the Articles of Association of the company, to vary the rights of any class of share, to wind up the company. In the event of their being entitled to vote the 'B' shareholders have upon a poll one vote for each 'B' share which they hold.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

22 Operating lease commitments

At the reporting period end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	26,800	26,050	-	-
Between two and five years	17,485	41,575	-	-
In over five years	-	15,813	-	-
	<u>44,285</u>	<u>83,438</u>	<u>-</u>	<u>-</u>

23 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Services received	
	2018 £	2017 £
Other related parties	-	27,500
	<u>-</u>	<u>27,500</u>

The transaction above was with a company controlled by a member of key management personnel.

No guarantees have been given or received.

24 Directors' transactions

Group

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
J.C.R. Goring Esq. -	-	413,927	-	-	(218,767)	195,160
		<u>413,927</u>	<u>-</u>	<u>-</u>	<u>(218,767)</u>	<u>195,160</u>

The loan advanced by the group is unsecured, interest free, and repayable on demand.

GORING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

25 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,257,204	962,321
Adjustments for:		
Taxation charged	235,395	231,105
Finance costs	262	5,526
Gain on disposal of property, plant and equipment	(15,916)	-
Depreciation and impairment of property, plant and equipment	170,642	135,309
Foreign exchange on consolidation	(70,708)	(211,135)
Other gains and losses	(155,164)	(19,925)
Movements in working capital:		
(Increase) in inventories	(44,796)	(65,930)
Decrease/(increase) in trade and other receivables	407,475	(807,841)
Increase in trade and other payables	29,999	1,392,281
Cash generated from operations	1,814,393	1,621,711