

Registration number: 00864881

Chewton Glen Hotels Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2016



Bolden & Long Chartered Accountants
36a Goring Road
Goring-by-Sea
Worthing
West Sussex
BN12 4AD

Chewton Glen Hotels Limited

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Chewton Glen Hotels Limited

Company Information

Directors	Mr R Luck Mr AW Stembridge Mr I M Livingstone
Company secretary	Mr A W Wells
Registered office	Chewton Glen Hotel New Milton Hampshire BH25 6QS
Auditors	Bolden & Long Chartered Accountants 36a Goring Road Goring-by-Sea Worthing West Sussex BN12 4AD

Chewton Glen Hotels Limited

Strategic Report for the Year Ended 31 March 2016

The Directors present their strategic report for the year ended 31 March 2016.

Principal activity

The principal activity of the company is the continuing operation of Chewton Glen Hotel, New Milton, Hampshire

Fair review of the business

The hotel enjoyed another successful year with total revenue of £15.3m increasing by £776.9k (5.4%) on prior year. This was driven through growth in all three major revenue streams, accommodation, food & beverage and spa, with marginal reduction in cancellation and other revenues, despite a (1.8%) decrease in hotel occupancy, rate growth was £27.81 & RevPar growth was £12.35.

Strong cost and improved payroll productivity reduced overall direct costs and direct payroll as a percentage of turnover, with departmental direct expenses remaining 5.8% of total revenue (as 2015). Overall this resulted in a 0.7% improvement in departmental operating profit.

Nine bedrooms were refurbished during the year which contributed towards improvement in the average room rate. Further bedroom refurbishments are scheduled for the coming year, along with the planned opening of the £2.6m Cookery School and casual dining experience, and refurbishment to the Spa Grooming lounge.

An increase in administration and sales overheads; primarily through growing the centralised reservation & marketing function along with increased marketing activity / exposure, was offset by savings in maintenance and through renegotiated utility costs. Overall leaving total overheads with 0.6% improvement to total revenue year on year.

The £776.9k (5.4%) growth in turnover drove a £445.3k (3.6%) increase in gross profit, with 1.3% increased conversion and flow-through at 65.8% year on year. Controlled costs and overheads delivered a £107.5k (2.7%) increase in EBITDA to £4.1m (2015, £4.0m) a 26.8% conversion (2015, 27.4%).

Principal risks and uncertainties

Principal risks and uncertainties continue to be increased competition in the upper luxury hotel market segment, with PWC outlook being a continuation of occupancy decline offset by rate growth through the next year in this segment.

The continued degree of economic and foreign policy uncertainty, namely the UK / EU relationship, has potential to impact international business, however neither of these factors are unique / have significantly impacted the hotel in the past six years, as evidenced by sustained total revenue and average rate growth. The improving average rate is indicative of low price risk and internal funding limits credit risk. The company maintains appreciable cash balances rather than overdrafts, thus limiting liquidity and cash flow risk.

Approved by the Board on 22 December 2016 and signed on its behalf by:



.....
Mr R Luck
Director

Chewton Glen Hotels Limited

Directors' Report for the Year Ended 31 March 2016

The Directors present their report and the financial statements for the year ended 31 March 2016.

Directors of the Company

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

Mr R Luck

Mr AW Stembridge

Mr I M Livingstone (appointed 19 January 2016)

Financial instruments

Objectives and policies

The company's primary objectives are sustained growth and enhanced product offering through property improvements.

Price risk, credit risk, liquidity risk and cash flow risk

Sustained average rate is indicative of low price risk and internal funding limits credit risk. The company maintains appreciable cash balances rather than overdrafts, thus limiting liquidity and cash flow risk.

Employment of disabled persons

Full and fair consideration is given to applications for employment by disabled persons, having regard to their particular aptitudes and abilities

Employee involvement

The Company has a Team Consultative Committee which meets regularly with the Managing Director to discuss matters of concern to staff at all levels. Additionally, General Team Meetings are held once per quarter, during which all staff are appraised of the Company's performance and future developments, this is alongside monthly departmental meetings and monthly internal communications and newsletters.

Disclosure of information to the auditors

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

Approved by the Board on 22 December 2016 and signed on its behalf by:



.....
Mr R Luck
Director

Chewton Glen Hotels Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chewton Glen Hotels Limited

Independent Auditor's Report

We have audited the financial statements of Chewton Glen Hotels Limited for the year ended 31 March 2016, set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Chewton Glen Hotels Limited

Independent Auditor's Report



Brian Surridge F.C.C.A. (Senior Statutory Auditor)

For and on behalf of Bolden & Long Chartered Accountants, Statutory Auditor

36a Goring Road
Goring-by-Sea
Worthing
West Sussex
BN12 4AD

Date: 23/12/16

Chewton Glen Hotels Limited

Profit and Loss Account for the Year Ended 31 March 2016

	Note	2016 £	(As restated) 2015 £
Turnover	2	15,254,296	14,477,419
Cost of sales		<u>(2,321,409)</u>	<u>(1,989,842)</u>
Gross profit		12,932,887	12,487,577
Administrative expenses		<u>(9,527,515)</u>	<u>(9,191,733)</u>
Operating profit	3	<u>3,405,372</u>	<u>3,295,844</u>
Other interest receivable and similar income	4	4,458	11,644
Interest payable and similar charges	5	<u>(385,705)</u>	<u>(436,125)</u>
		<u>(381,247)</u>	<u>(424,481)</u>
Profit before tax		3,024,125	2,871,363
Taxation	9	<u>(339,299)</u>	<u>(139,523)</u>
Profit for the financial year		<u><u>2,684,826</u></u>	<u><u>2,731,840</u></u>

The above results were derived from continuing operations.

Chewton Glen Hotels Limited

Statement of Comprehensive Income for the Year Ended 31 March 2016

	Note	2016 £	(As restated) 2015 £
Profit for the year		<u>2,684,826</u>	<u>2,731,840</u>
Total comprehensive income for the year		<u>2,684,826</u>	<u>2,731,840</u>

The notes on pages 12 to 23 form an integral part of these financial statements.

Chewton Glen Hotels Limited

(Registration number: 00864881)
Balance Sheet as at 31 March 2016

	Note	2016 £	(As restated) 2015 £
Fixed assets			
Tangible assets	10	21,432,183	21,397,418
Current assets			
Stocks	11	494,789	473,154
Debtors	12	851,684	621,662
Cash at bank and in hand		2,034,616	1,330,501
		<u>3,381,089</u>	<u>2,425,317</u>
Creditors: Amounts falling due within one year	14	<u>(14,867,759)</u>	<u>(14,335,261)</u>
Net current liabilities		<u>(11,486,670)</u>	<u>(11,909,944)</u>
Total assets less current liabilities		9,945,513	9,487,474
Creditors: Amounts falling due after more than one year	14	(65,000)	(65,000)
Provisions for liabilities		<u>(1,471,671)</u>	<u>(1,441,625)</u>
Net assets		<u><u>8,408,842</u></u>	<u><u>7,980,849</u></u>
Capital and reserves			
Called up share capital	15	75,000	75,000
Other reserves		-	90,358
Profit and loss account		<u>8,333,842</u>	<u>7,815,491</u>
Total equity		<u><u>8,408,842</u></u>	<u><u>7,980,849</u></u>

Approved and authorised by the Board on 22 December 2016 and signed on its behalf by:



.....
Mr R Luck

Director

Chewton Glen Hotels Limited

Statement of Changes in Equity for the Year Ended 31 March 2016

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2015	75,000	90,358	7,815,491	7,980,849
Profit for the year	-	-	2,684,826	2,684,826
Other comprehensive income	-	(90,358)	90,358	-
Total comprehensive income	-	(90,358)	2,775,184	2,684,826
Dividends	-	-	(2,256,833)	(2,256,833)
At 31 March 2016	75,000	-	8,333,842	8,408,842
	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2014	75,000	178,083	7,606,145	7,859,228
Profit for the year	-	-	2,731,840	2,731,840
Other comprehensive income	-	(87,725)	87,725	-
Total comprehensive income	-	(87,725)	2,819,565	2,731,840
Dividends	-	-	(2,610,219)	(2,610,219)
At 31 March 2015	75,000	90,358	7,815,491	7,980,849

The notes on pages 12 to 23 form an integral part of these financial statements.

Chewton Glen Hotels Limited

Statement of Cash Flows for the Year Ended 31 March 2016

		2016	(As restated) 2015
	Note	£	£
Cash flows from operating activities			
Profit for the year		2,684,826	2,731,840
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	3	676,441	678,486
Finance income	4	(4,458)	(11,644)
Finance costs	5	385,705	436,125
Income tax expense	9	339,299	139,523
		4,081,813	3,974,330
Working capital adjustments			
Increase in stocks	11	(21,635)	(14,690)
Increase in trade debtors	12	(227,755)	(35,722)
Increase/(decrease) in trade creditors	14	11,766,357	(124,097)
Cash generated from operations		15,598,780	3,799,821
Income taxes paid	9	(596,705)	(291,471)
Net cash flow from operating activities		15,002,075	3,508,350
Cash flows from investing activities			
Interest received	4	4,458	11,644
Acquisitions of tangible assets		(711,206)	(1,051,193)
Net cash flows from investing activities		(706,748)	(1,039,549)
Cash flows from financing activities			
Interest paid	5	(378,491)	(429,625)
Proceeds from other borrowing draw downs		372,326	429,183
Repayment of other borrowing		(11,321,000)	-
Preference dividends		(6,500)	(6,500)
Dividends paid	18	(2,256,833)	(2,610,219)
Net cash flows from financing activities		(13,590,498)	(2,617,161)
Net increase/(decrease) in cash and cash equivalents		704,829	(148,360)
Cash and cash equivalents at 1 April		1,330,501	1,478,861
Effect of exchange rate fluctuations on cash held		(714)	-
Cash and cash equivalents at 31 March		2,034,616	1,330,501

The notes on pages 12 to 23 form an integral part of these financial statements.

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

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

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

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

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

Depreciation

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

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Asset class	Depreciation method and rate
Freehold buildings	1% per annum on cost
Fixtures, fittings and equipment	15% per annum on reducing balance
Motor vehicles	20% per annum on cost

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

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

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016 £	2015 £
Sale of goods	5,661,924	5,460,924
Rendering of services	9,592,372	9,016,495
	<u>15,254,296</u>	<u>14,477,419</u>

3 Operating profit

Arrived at after charging/(crediting)

	2016 £	(As restated) 2015 £
Depreciation expense	676,441	678,486
Operating lease expense - plant and machinery	<u>66,463</u>	<u>82,082</u>

4 Other interest receivable and similar income

	2016 £	2015 £
Interest income on bank deposits	<u>4,458</u>	<u>11,644</u>

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

5 Interest payable and similar charges

	2016	(As restated)
	£	2015
		£
Preference share dividends	6,500	6,500
Interest expense on other finance liabilities	378,491	429,625
Foreign exchange (gains) / losses	714	-
	<u>385,705</u>	<u>436,125</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016	2015
	£	£
Wages and salaries	4,900,048	4,764,976
Social security costs	319,568	360,110
Pension costs, defined contribution scheme	65,343	59,113
	<u>5,284,959</u>	<u>5,184,199</u>

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

	2016	2015
	No.	No.
Administration and support	32	34
Sales, marketing and distribution	24	19
Other departments	205	232
	<u>261</u>	<u>285</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016	2015
	£	£
Remuneration	291,578	167,002
Contributions paid to money purchase schemes	16,958	15,451
	<u>308,536</u>	<u>182,453</u>

In respect of the highest paid director:

	2016	2015
	£	£
Remuneration	291,578	167,001
Company contributions to money purchase pension schemes	16,958	15,451

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

8 Auditors' remuneration

	2016 £	2015 £
Audit of the financial statements	9,500	9,250
Other fees to auditors		
All other non-audit services	9,000	8,750

9 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	297,733	285,185
UK corporation tax adjustment to prior periods	11,520	-
	309,253	285,185
Deferred taxation		
Arising from origination and reversal of timing differences	30,046	(145,662)
Tax expense in the income statement	339,299	139,523

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 21%).

The differences are reconciled below:

	2016 £	(As restated) 2015 £
Profit before tax	3,024,125	2,871,363
Corporation tax at standard rate	604,825	602,986
Effect of expense not deductible in determining taxable profit (tax loss)	1,300	1,365
Deferred tax expense (credit) relating to changes in tax rates or laws	-	10,708
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	30,046	(145,662)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	11,520	-
Tax increase (decrease) from effect of capital allowances and depreciation	(22,720)	(56,185)
Tax increase (decrease) arising from group relief	(285,672)	(273,689)
Total tax charge	339,299	139,523

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Deferred tax

Deferred tax assets and liabilities

	Asset £
2016	
Difference between accumulated depreciation and capital allowances	<u>1,471,671</u>
2015	
Difference between accumulated depreciation and capital allowances	<u>1,441,625</u>

10 Tangible assets

	Land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 April 2015	20,398,707	9,593	15,800,145	36,208,445
Additions	<u>227,963</u>	<u>-</u>	<u>483,243</u>	<u>711,206</u>
At 31 March 2016	<u>20,626,670</u>	<u>9,593</u>	<u>16,283,388</u>	<u>36,919,651</u>
Depreciation				
At 1 April 2015	1,904,159	9,593	12,897,275	14,811,027
Charge for the year	<u>168,506</u>	<u>-</u>	<u>507,935</u>	<u>676,441</u>
At 31 March 2016	<u>2,072,665</u>	<u>9,593</u>	<u>13,405,210</u>	<u>15,487,468</u>
Carrying amount				
At 31 March 2016	<u>18,554,005</u>	<u>-</u>	<u>2,878,178</u>	<u>21,432,183</u>
At 31 March 2015	<u>18,494,548</u>	<u>-</u>	<u>2,902,870</u>	<u>21,397,418</u>

11 Stocks

	2016 £	2015 £
Inventories	<u>494,789</u>	<u>473,154</u>

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

12 Debtors

	Note	2016 £	2015 £
Trade debtors		310,551	313,980
Other debtors		373,061	195,109
Prepayments		165,805	112,573
Corporation tax asset	9	<u>2,267</u>	<u>-</u>
Total current trade and other debtors		<u>851,684</u>	<u>621,662</u>

13 Cash and cash equivalents

	2016 £	2015 £
Cash in hand	1,300	1,043
Cash at bank	2,032,142	1,324,284
Short-term deposits	<u>1,174</u>	<u>5,174</u>
	<u>2,034,616</u>	<u>1,330,501</u>

14 Creditors

	Note	2016 £	(As restated) 2015 £
Due within one year			
Loans and borrowings	16	-	10,948,674
Trade creditors		286,194	385,655
Amounts due to related parties	20	11,327,500	-
Social security and other taxes		637,107	508,957
Outstanding defined contribution pension costs		18,548	14,574
Other payables		2,223,991	2,006,063
Accrued expenses		374,419	186,153
Corporation tax liability	9	<u>-</u>	<u>285,185</u>
		<u>14,867,759</u>	<u>14,335,261</u>
Due after one year			
Loans and borrowings	16	<u>65,000</u>	<u>65,000</u>

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

15 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>

Redeemable preference shares

The 10% Cumulative preference shares are redeemable. They are redeemable at £1 per share and carry no voting rights. Winding up value for redeemable preference shares is £-.

16 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Redeemable preference shares	<u>65,000</u>	<u>65,000</u>
		(As restated)
	2016 £	2015 £
Current loans and borrowings		
Other borrowings	<u>-</u>	<u>10,948,674</u>

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	50,846	28,572
Later than one year and not later than five years	<u>55,506</u>	<u>22,565</u>
	<u>106,352</u>	<u>51,137</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £66,463 (2015 - £82,082).

18 Dividends

	2016 £	2015 £
Interim dividend of £30.0911 (2015 - £34.8029) per ordinary share	<u>2,256,833</u>	<u>2,610,219</u>

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

19 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2015 - £Nil).

20 Related party transactions

Summary of transactions with parent

During the year, the parent company C G Hotel Holdings Ltd advanced the company £11,327,500.

Loans from related parties

	Parent £	Other related parties £
2016		
At start of period	-	10,948,675
Advanced	11,327,500	-
Repaid	-	(11,321,002)
Interest charged	-	372,327
At end of period	<u>11,327,500</u>	<u>-</u>
		Other related parties £
2015		
At start of period		10,519,491
Advanced		2,471
Repaid		(2,913)
Interest charged		429,626
At end of period		<u>10,948,675</u>

Terms of loans from related parties

An interest free loan from the parent company C G Hotel Holdings Ltd is repayable on demand.

An interest free loan from I M Livingtone, shareholder, and an interest bearing loan from Strategic Investments Portfolio Ltd , a company under joint control, were both fully repaid within the year.

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

21 Transition to FRS 102

The company prepares its first financial statements that comply with FRS 102 the year ended 31 March 2016. The transition date to FRS 102 was 1 April 2014. For the company the transition to FRS 102 has resulted in only a small number of changes in accounting policies, compared to those used previously, as summarised below:

1. A long term, interest free, directors loan has been discounted back to the transition date at an appropriate market interest rate. This resulted in a reduction in the loan balance of £178,083 at the transition date and an interest charge of £87,725 in the year ended 31 March 2015.
2. The reclassification of assets as at 1 April 2014 resulted in a reduced land and buildings depreciation charge in the prior year of £36,738.

Balance Sheet at 1 April 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	21,024,711	-	-	21,024,711
Current assets				
Stocks	458,464	-	-	458,464
Debtors	585,941	-	-	585,941
Cash at bank and in hand	1,478,860	-	-	1,478,860
	<u>2,523,265</u>	<u>-</u>	<u>-</u>	<u>2,523,265</u>
Creditors: Amounts falling due within one year	<u>(3,516,970)</u>	<u>-</u>	<u>-</u>	<u>(3,516,970)</u>
Net current liabilities	<u>(993,705)</u>	<u>-</u>	<u>-</u>	<u>(993,705)</u>
Total assets less current liabilities	20,031,006	-	-	20,031,006
Creditors: Amounts falling due after more than one year	(10,762,574)	-	178,083	(10,584,491)
Provisions for liabilities	<u>(1,587,287)</u>	<u>-</u>	<u>-</u>	<u>(1,587,287)</u>
Net assets	<u>7,681,145</u>	<u>-</u>	<u>178,083</u>	<u>7,859,228</u>
Capital and reserves				
Called up share capital	(75,000)	-	-	(75,000)
Other reserves	-	-	(178,083)	(178,083)
Profit and loss account	<u>(7,606,145)</u>	<u>-</u>	<u>-</u>	<u>(7,606,145)</u>
Total equity	<u>(7,681,145)</u>	<u>-</u>	<u>(178,083)</u>	<u>(7,859,228)</u>

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Balance Sheet at 31 March 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets					
Tangible assets		21,360,680	36,738	-	21,397,418
Current assets					
Stocks		473,154	-	-	473,154
Debtors		621,662	-	-	621,662
Cash at bank and in hand		<u>1,330,501</u>	<u>-</u>	<u>-</u>	<u>1,330,501</u>
		2,425,317	-	-	2,425,317
Creditors: Amounts falling due within one year		<u>(14,425,619)</u>	<u>-</u>	<u>90,358</u>	<u>(14,335,261)</u>
Net current (liabilities)/assets		<u>(12,000,302)</u>	<u>-</u>	<u>90,358</u>	<u>(11,909,944)</u>
Total assets less current liabilities		9,360,378	36,738	90,358	9,487,474
Creditors: Amounts falling due after more than one year		(65,000)	-	-	(65,000)
Provisions for liabilities		<u>(1,441,625)</u>	<u>-</u>	<u>-</u>	<u>(1,441,625)</u>
Net assets		<u>7,853,753</u>	<u>36,738</u>	<u>90,358</u>	<u>7,980,849</u>
Capital and reserves					
Called up share capital		(75,000)	-	-	(75,000)
Other reserves		-	-	(90,358)	(90,358)
Profit and loss account		<u>(7,778,753)</u>	<u>(36,738)</u>	<u>-</u>	<u>(7,815,491)</u>
Total equity		<u>(7,853,753)</u>	<u>(36,738)</u>	<u>(90,358)</u>	<u>(7,980,849)</u>

Chewton Glen Hotels Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

Profit and Loss Account for the year ended 31 March 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		14,477,419	-	-	14,477,419
Cost of sales		<u>(1,989,842)</u>	<u>-</u>	<u>-</u>	<u>(1,989,842)</u>
Gross profit		12,487,577	-	-	12,487,577
Administrative expenses		<u>(9,228,472)</u>	<u>36,738</u>	<u>-</u>	<u>(9,191,734)</u>
Operating profit		<u>3,259,105</u>	<u>36,738</u>	<u>-</u>	<u>3,295,843</u>
Other interest receivable and similar income		11,644	-	-	11,644
Interest payable and similar charges		<u>(348,399)</u>	<u>-</u>	<u>(87,725)</u>	<u>(436,124)</u>
		<u>(336,755)</u>	<u>-</u>	<u>(87,725)</u>	<u>(424,480)</u>
Profit/(loss) before tax		2,922,350	36,738	(87,725)	2,871,363
Taxation		<u>(139,523)</u>	<u>-</u>	<u>-</u>	<u>(139,523)</u>
Profit/(loss) for the financial year		<u><u>2,782,827</u></u>	<u><u>36,738</u></u>	<u><u>(87,725)</u></u>	<u><u>2,731,840</u></u>

Chewton Glen Hotels Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2016

	2016	(As restated)
	£	2015
		£
Turnover (analysed below)	15,254,296	14,477,419
Cost of sales (analysed below)	<u>(2,321,409)</u>	<u>(1,989,842)</u>
Gross profit	12,932,887	12,487,577
Gross profit (%)	84.78%	86.26%
Administrative expenses (analysed below)	<u>(9,527,515)</u>	<u>(9,191,733)</u>
Operating profit	<u>3,405,372</u>	<u>3,295,844</u>
Other interest receivable and similar income (analysed below)	4,458	11,644
Interest payable and similar charges (analysed below)	<u>(385,705)</u>	<u>(436,125)</u>
	<u>(381,247)</u>	<u>(424,481)</u>
Profit before tax	<u><u>3,024,125</u></u>	<u><u>2,871,363</u></u>

This page does not form part of the statutory financial statements.

Chewton Glen Hotels Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2016

	2016 £	2015 £
Turnover		
Accommodation	7,613,405	7,281,872
Food	3,560,059	3,392,816
Health Club	1,978,967	1,734,623
Wines, Spirits etc.	1,671,804	1,611,329
Miscellaneous	228,324	227,417
Boutique	201,737	220,414
Telephone Receipts	-	8,948
	<u>15,254,296</u>	<u>14,477,419</u>
Cost of sales		
Health Club	253,180	164,339
Food	1,281,040	1,281,102
Wines, Spirits etc.	404,923	437,537
Boutique	127,754	106,760
Commissions payable	254,512	104
	<u>2,321,409</u>	<u>1,989,842</u>
Administrative expenses		
Wages and salaries	4,608,470	4,597,974
Staff NIC (Employers)	280,449	344,439
Directors remuneration	291,578	167,002
Directors NIC (Employers)	39,119	15,671
Staff pensions (Defined contribution)	48,385	43,662
Directors pensions (Defined contribution)	16,958	15,451
Rates	354,976	347,180
Water rates	196,766	208,392
Light, heat and power	473,303	456,269
Insurance	60,919	56,542
Repairs and maintenance	259,525	272,712
Telephone and fax	48,179	40,239
Departmental Supplies	514,222	489,798
Flowers, music and newspapers	75,648	82,580
Computer software and maintenance costs	86,333	-
Fire precautions	4,872	4,604
Printing, postage and stationery	102,353	178,204
China and glass	46,240	36,273
Television rental	19,033	15,810
Trade subscriptions	1,839	10,770
Charitable donations	1,359	2,991
Hire of plant and machinery (Operating leases)	66,463	82,082
Sundry expenses	29,777	31,188

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Chewton Glen Hotels Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2016

	2016 £	2015 £
Laundry and cleaning	284,668	247,914
Motor expenses	102,285	48,624
Travel and subsistence	8,984	10,347
Promotional expenses	405,744	381,104
Auditor's remuneration - The audit of the company's annual accounts	9,500	9,250
Auditors' remuneration - non audit work	9,000	8,750
Legal and professional fees	142,536	46,332
Bad debts written off	-	9,826
Bank charges	9,917	9,049
Credit card charges	251,674	242,218
Depreciation of freehold property	168,506	166,225
Depreciation of plant and machinery (owned)	507,935	512,261
	<u>9,527,515</u>	<u>9,191,733</u>
Operating profit	<u>3,405,372</u>	<u>3,295,844</u>
Other interest receivable and similar income		
Bank interest receivable	4,458	11,644
Interest payable and similar charges		
Preference share dividends	6,500	6,500
Loan interest	372,327	429,625
Other interest payable	6,164	-
Foreign currency (gains)/losses	714	-
	<u>385,705</u>	<u>436,125</u>
Net finance cost	<u>(381,247)</u>	<u>(424,481)</u>
Profit before tax	<u><u>3,024,125</u></u>	<u><u>2,871,363</u></u>

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