Registered number: 02460827

DONNINGTON VALLEY GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANY INFORMATION

Directors	A G McKenzie M V Morris B Wilkinson
Registered number	02460827
Registered office	Buckingham House West Street Newbury Berkshire RG14 1BE
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Mill House Overbridge Square Hambridge Lane Newbury RG14 5UX
Bankers	HSBC Bank Plc 28 High Street Uxbridge Middlesex UB8 1BY
Solicitors	Irwin Mitchell Mercantile House 18 London Road Newbury Berkshire RG14 1JX

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

BUSINESS REVIEW

The company is a four star luxury hotel with spa and golf facilities which targets both the business and leisure traveller.

During the year to 31st December 2018, trading conditions continued to improve with revenue increasing by 1.9%, which was supported by an increase in average rate per room.

Inflationary pressures in raw materials and a significant increase in labour costs have contributed to the company reporting a trading loss before taxation of £ 514,845 (2017: £ 21,410 Profit).

The underlying trend for the forthcoming year remains positive with the booking pattern remaining strong.

PRINCIPAL RISKS AND UNCERTAINTIES

The company uses various financial instruments including cash, loans and items such as trade debtors and trade creditors that arise directly from its operations. The purpose of these financial instruments is to raise finance for the company's operations.

The risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and these policies have remained unchanged from previous years.

Liquidity risk

The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and invest cash assets safely and profitably.

Interest rate risk

The company uses loans to finance the expansion and improvement of the facilities which in the long term improve profitability. Any interest rate risk is hedged through interest rate swaps. No interest is payable on inter company balances. The company's cash assets are all held in floating rate deposit accounts. Trade debtors and creditors do not attract interest.

Credit risk

The company's principal financial assets are cash and trade debtors. To manage trade debtor credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

FUTURE DEVELOPMENTS

2019 will see commencement of a five year capital investment plan with the construction of a bespoke Wedding and Events Barn which will create diversification across the portfolio. k

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

This report was approved by the board and signed on its behalf.

....
M V Morris
Director

Date: 26 September 2019

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

Principal activity

The principal activity of the Company during the year continued to be that of running a hotel, including a spa and golf club.

Directors

The directors who served during the year were:

A G McKenzie
M V Morris
B Wilkinson

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £514,845 (2017 - profit £21,410).

The directors do not recommend a dividend for the year ended 31 December 2018 (2017: £nil).

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

....
M V Morris
Director

Date: 26 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DONNINGTON VALLEY GROUP LIMITED

Opinion

We have audited the financial statements of Donnington Valley Group Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DONNINGTON VALLEY GROUP LIMITED (CONTINUED)

Use of our report

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

Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor

Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

27 September 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	**6,674,265**	6,768,184
Cost of sales		**(947,280)**	(972,049)
Gross profit		**5,726,985**	5,796,135
Administrative expenses		**(5,906,331)**	(5,475,602)
Operating (loss)/profit		**(179,346)**	320,533
Interest payable and expenses	8	**(335,499)**	(299,123)
(Loss)/profit before tax		**(514,845)**	21,410
(Loss)/profit for the financial year		**(514,845)**	21,410

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 11 to 22 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	10		**13,762,617**		13,607,664
Investments	11		**102**		102
			13,762,719		13,607,766
Current assets					
Stocks	12	**112,183**		127,905	
Debtors: amounts falling due within one year	13	**3,190,978**		3,756,244	
Cash at bank and in hand	14	**25,016**		65,865	
		3,328,177		3,950,014	
Creditors: amounts falling due within one year	15	**(17,759,638)**		(17,511,677)	
Net current liabilities			**(14,431,461)**		(13,561,663)
Total assets less current liabilities			**(668,742)**		46,103
Creditors: amounts falling due after more than one year	16		**(11,072,000)**		(11,272,000)
Net liabilities			**(11,740,742)**		(11,225,897)
Capital and reserves					
Called up share capital	19		**1,000,000**		1,000,000
Profit and loss account	20		**(12,740,742)**		(12,225,897)
			(11,740,742)		(11,225,897)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

....
M V Morris
Director

Date: 26 September 2019

The notes on pages 11 to 22 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	**1,000,000**	**(12,247,307)**	**(11,247,307)**
Comprehensive income for the year			
Profit for the year	**-**	**21,410**	**21,410**
At 1 January 2018	**1,000,000**	**(12,225,897)**	**(11,225,897)**
Comprehensive income for the year			
Loss for the year	**-**	**(514,845)**	**(514,845)**
At 31 December 2018	**1,000,000**	**(12,740,742)**	**(11,740,742)**

The notes on pages 11 to 22 form part of these financial statements.

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

1. General information

Donnington Valley Group Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the Company's principal place of business is Donnington Valley Hotel and Spa, Old Oxford Road, Donnington, Newbury, Berkshire, RG14 3AG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Stockford Limited as at 31 December 2018 and these financial statements may be obtained from Buckingham House, West Street, Newbury, Berkshire, England, RG14 1BE.

2.3 Going concern

The Directors of the Company have prepared the financial statements on a going concern basis despite the Company being in a net liabilities position of £11,740,742 (2017: £11,225,897) at the yearend including net current liabilities of £14,431,461 (2017: £13,561,663). The Company has made a loss of £514,845 (2017: profit of £21,410) in the year.

In assessing whether the going concern basis is appropriate, the Directors take into account all available information about the future, which is at least, but not limited to, 12 months from the approval of these financial statements. The Directors have performed this review at a company level and have also performed a review for the entire group as disclosed in the financial statements of the ultimate parent company, Stockford Limited.

The Directors have a reasonable expectation that the Company has adequate resources, and will continue to be supported by its ultimate parent company as necessary, to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing these financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	- 0% Straight line
Plant and machinery	- 10-33% Straight line
Motor vehicles	- 25% Straight line
Fixtures and fittings	- 20% Straight line
Assets under contruction	- 0% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

The condition and upkeep of the freehold property is carried out on a continuous basis by the company with any payments being charged to the profit and loss account as it arises. This depreciation policy reflects the expected benefits of such assets and provides consistency with the depreciation methods used by other entities within the same industry.

In accordance with GAAP (Generally Accepted Accounting Practice), the assets under construction do not begin to be depreciated until they come into use. Once assets under construction come into use they are transferred to the relevant categories and commence being depreciated if applicable.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted averagebasis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.15 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historic experience and other factors that are considered to be applicable. Due to the inherent subjectivity in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis.

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their useful economic lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of the assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management determining the residual values for property, plant and equipment. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already in the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018	2017
	£	£
Provision of rooms	**2,790,033**	2,677,984
Sale of food and beverages	**2,243,313**	2,287,537
Provision of spa and leisure services	**591,871**	599,158
Memberships	**656,592**	628,479
Provision of sundry services	**392,456**	344,080
Intercompany recharges	-	230,946
	6,674,265	6,768,184

All turnover arose within the United Kingdom.

5. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**7,000**	7,500
Services relating to taxation	**2,000**	1,500

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	**2,778,862**	2,810,757
Social security costs	**195,319**	209,599
Cost of defined contribution pension scheme	**53,657**	92,127
	3,027,838	3,112,483

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Managment and administration staff	**9**	8
Sales and marketing staff	**11**	12
Operational staff	**152**	164
	172	184

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	**-**	170,202
Company contributions to defined contribution pension schemes	**-**	52,134
	-	222,336

During the year retirement benefits were accruing to no directors (2017 - 3) in respect of defined contribution pension schemes.

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

8. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	**335,499**	299,123
	335,499	299,123

9. Taxation

	2018 £	2017 £
Taxation on profit on ordinary activities	**-**	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	**(514,845)**	21,410
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	**(97,821)**	4,121
Effects of:		
Capital allowances for year in excess of depreciation	**-**	(460)
Short term timing difference leading to an increase (decrease) in taxation	**-**	(3,661)
Other differences leading to an increase (decrease) in the tax charge	**2**	-
Deferred tax not recognised	**87,521**	-
Adjust deferred tax to average rate of 19.00%	**10,298**	-
Total tax charge for the year	**-**	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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

10. Tangible fixed assets

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Assets under construc-tion	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2018	15,214,306	4,130,731	53,186	2,402,795	48,288	21,849,306
Additions	2,216	147,992	-	26,646	158,543	335,397
Transfers between classes	2,802	7,638	-	25,576	(36,016)	-
At 31 December 2018	15,219,324	4,286,361	53,186	2,455,017	170,815	22,184,703
Depreciation						
At 1 January 2018	2,096,184	3,826,633	40,807	2,278,018	-	8,241,642
Charge for the year	2,609	123,590	4,939	49,306	-	180,444
At 31 December 2018	2,098,793	3,950,223	45,746	2,327,324	-	8,422,086
Net book value						
At 31 December 2018	13,120,531	336,138	7,440	127,693	170,815	13,762,617
At 31 December 2017	13,118,122	304,098	12,379	124,777	48,288	13,607,664

Included in freehold land and buildings is freehold land of £2,898,000 which is not depreciated.

11. Fixed asset investments

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 January 2018	102
At 31 December 2018	102

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Barns Hotel Bedford (Previously known as Donnington Valley Hotels Limited)	Running a hotel	Ordinary	100 %
Deanwood Park Limited (Previously known as Donnington Valley Golf Club Limited)	Running a golf clubhouse	Ordinary	100 %

12. Stocks

	2018 £	2017 £
Raw materials and consumables	**23,718**	20,657
Finished goods and goods for resale	**88,465**	107,248
	112,183	127,905

13. Debtors

	2018 £	2017 £
Trade debtors	**342,278**	312,331
Amounts owed by group undertakings	**2,600,047**	3,090,458
Other debtors	**15,658**	15,635
Prepayments and accrued income	**232,995**	337,820
	3,190,978	3,756,244

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	**25,016**	65,865
	25,016	65,865

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	**200,000**	200,000
Other loans	**6,520,786**	6,520,786
Trade creditors	**509,145**	306,623
Amounts owed to group undertakings	**10,168,844**	10,109,837
Other taxation and social security	**48,626**	51,233
Other creditors	**7,130**	14,811
Accruals and deferred income	**305,107**	308,387
	17,759,638	17,511,677

Amounts owed to group undertakings are unsecured, interest free, and are repayable on demand.

Other loans relate to a loan from a director of the Company's ultimate parent company. This loan is repayable on demand and is non-interest bearing.

16. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	**11,072,000**	11,272,000
	11,072,000	11,272,000

The bank facility is secured by a first legal mortgage on the freehold property and by a fixed and floating charge over all of the assets of the company and cross guarantees from certain group companies. The bank loan is repayable quarterly in fixed instalments of £50,000 starting from September 2016 until December 2019 with a balloon payment at maturity. The interest rate is base plus 2.25% over the term of the loan.

17. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	**200,000**	200,000
Other loans	**6,520,786**	6,520,786
	6,720,786	6,720,786
Amounts falling due 1-2 years		
Bank loans	**200,000**	200,000
	200,000	200,000
Amounts falling due 2-5 years		
Bank loans	**10,872,000**	11,072,000
	10,872,000	11,072,000
	17,792,786	17,992,786

18. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**2,985,017**	3,602,715
Financial liabilities		
Financial liabilities measured at amortised cost	**28,297,905**	(28,481,249)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, amounts owed to group undertakings and other creditors.

19. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
1,000,000 (2017 - 1,000,000) Ordinary Shares shares of £1.00 each	**1,000,000**	1,000,000

20. Reserves

Profit and loss account

The profit and loss account is the Company's accumulated retained profits or losses as at the year end.

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted £53,657 (2017: £92,127). Contributions totalling £246 (2017: £NIL) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	**62,742**	54,516
Later than 1 year and not later than 5 years	**117,955**	106,609
	180,697	161,125

23. Related party transactions

The Company is exempt from disclosing related party transactions with other 100% owned members of the Group headed by Stockford Limited by virtue of FRS 102 section 33.1A.

At the year end, included in other loans is a balance of £6,520,786 (2017: £6,520,786) owed to Sir P C Michael CBE, director of Stockford Limited, the parent company of Donnington Valley Group Limited.

24. Controlling party

The company considers Stockford Limited, a company incorporated in England and Wales, to be its ultimate parent company throughout the current and previous years. The company's results are included in the consolidated financial statements of Stockford Limited. Copies of the group financial statements for Stockford Limited are available from its registered office: Buckingham House, West Street, Newbury, Berkshire, England, RG14 1BE.