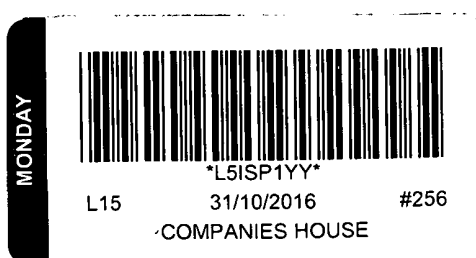


**MANOR OF GROVES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2016**



# MANOR OF GROVES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr S B S Hung Mrs M Hung
<b>Secretary</b>	Mrs M Hung
<b>Company number</b>	03210984
<b>Registered office</b>	High Wych, Sawbridgeworth Hertfordshire CM21 0JU
<b>Auditor</b>	LB Group Number One Vicarage Lane London E15 4HF

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# MANOR OF GROVES LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Statement of comprehensive income	6
Group balance sheet	7
Company balance sheet	8
Group statement of changes in equity	9
Company statement of changes in equity	10
Group statement of cash flows	11
Notes to the financial statements	12 - 23

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# **MANOR OF GROVES LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2016**

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The directors present their annual report and financial statements for the year ended 31 January 2016.

#### **Principal activities and business review**

The principal activity of the company and group continued to be that of the operation of a hotel, including conference and banqueting facilities and golf course.

The directors are pleased to report another profitable year for the group for the year ended 31 January 2016.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S B S Hung

Mrs M Hung

#### **Results and dividends**

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### **Auditor**

The auditor, LB Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# MANOR OF GROVES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2016**

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### 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 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:

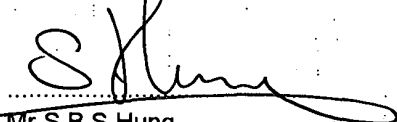
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

### 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 and group 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 and group is aware of that information.

On behalf of the board



Mr S B S Hung

Director



# MANOR OF GROVES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MANOR OF GROVES LIMITED

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We have audited the financial statements of Manor of Groves Limited for the year ended 31 January 2016 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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. 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 Ethical Standards for Auditors.

#### **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 group's and the parent 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 financial statements**

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 January 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# MANOR OF GROVES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

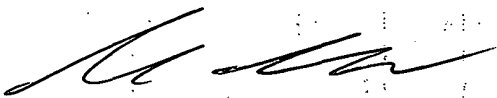
### TO THE MEMBERS OF MANOR OF GROVES LIMITED

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#### 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 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.



**Mark Middleton (Senior Statutory Auditor)**  
for and on behalf of LB Group

**Chartered Accountants**  
**Statutory Auditor**

31/10/16

Number One  
Vicarage Lane  
London  
E15 4HF

# MANOR OF GROVES LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	2016 £	2015 £
Turnover	2	12,156,479	11,763,852
Cost of sales		(6,725,684)	(6,104,788)
Gross profit		5,430,795	5,659,064
Administrative expenses		(5,166,452)	(4,377,930)
Operating profit	3	264,343	1,281,134
Interest receivable and similar income	6	451	311
Profit before taxation		264,794	1,281,445
Taxation	7	(16,385)	(267,231)
Profit for the financial year		248,409	1,014,214

The profit and loss account has been prepared on the basis that all operations are continuing operations.



# MANOR OF GROVES LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 31 JANUARY 2016**

	2016 £	2015 £
Profit for the year	248,409	1,014,214
Other comprehensive income	-	-
Total comprehensive income for the year	<u>248,409</u>	<u>1,014,214</u>

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

# MANOR OF GROVES LIMITED

## GROUP BALANCE SHEET

AS AT 31 JANUARY 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	9		1,067,748		1,024,913
<b>Current assets</b>					
Stocks	12	139,091		147,266	
Debtors	13	4,231,696		3,868,396	
Cash at bank and in hand		442,677		222,808	
		<u>4,813,464</u>		<u>4,238,470</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,967,153)</u>		<u>(3,472,733)</u>	
<b>Net current assets</b>			846,311		765,737
<b>Total assets less current liabilities</b>			<u>1,914,059</u>		<u>1,790,650</u>
<b>Capital and reserves</b>					
Called up share capital	16	535,002		660,002	
Profit and loss reserves		1,379,057		1,130,648	
<b>Total equity</b>			<u>1,914,059</u>		<u>1,790,650</u>

The financial statements were approved by the board of directors and authorised for issue on 28/01/16 and are signed on its behalf by:

  
Mr S B S Hung  
Director

# MANOR OF GROVES LIMITED

## COMPANY BALANCE SHEET

AS AT 31 JANUARY 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	9		331,734		323,544
Investments	10		2		2
			<u>331,736</u>		<u>323,546</u>
<b>Current assets</b>					
Stocks	12	72,376		77,789	
Debtors	13	2,067,620		1,316,739	
Cash at bank and in hand		85,336		63,024	
		<u>2,225,332</u>		<u>1,457,552</u>	
<b>Creditors: amounts falling due within one year</b>	14	(1,649,687)		(827,862)	
<b>Net current assets</b>			<u>575,645</u>		<u>629,690</u>
<b>Total assets less current liabilities</b>			<u>907,381</u>		<u>953,236</u>
<b>Capital and reserves</b>					
Called up share capital	16		535,002		660,002
Profit and loss reserves			<u>372,379</u>		<u>293,234</u>
<b>Total equity</b>			<u>907,381</u>		<u>953,236</u>

The financial statements were approved by the board of directors and authorised for issue on 28/10/16 and are signed on its behalf by:

  
Mr S B S Hung  
Director

Company Registration No. 03210984

# MANOR OF GROVES LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 February 2014</b>		<u>760,002</u>	<u>116,434</u>	<u>876,436</u>
<b>Year ended 31 January 2015:</b>				
Profit and total comprehensive income for the year		-	1,014,214	1,014,214
Reduction of shares	16	(100,000)	-	(100,000)
<b>Balance at 31 January 2015</b>		<u>660,002</u>	<u>1,130,648</u>	<u>1,790,650</u>
<b>Year ended 31 January 2016:</b>				
Profit and total comprehensive income for the year		-	248,409	248,409
Reduction of shares	16	(125,000)	-	(125,000)
<b>Balance at 31 January 2016</b>		<u>535,002</u>	<u>1,379,057</u>	<u>1,914,059</u>

# MANOR OF GROVES LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 February 2014</b>		<u>760,002</u>	<u>69,884</u>	<u>829,886</u>
<b>Year ended 31 January 2015:</b>				
Profit and total comprehensive income for the year		-	223,350	223,350
Reduction of shares	<b>16</b>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
<b>Balance at 31 January 2015</b>		<u>660,002</u>	<u>293,234</u>	<u>953,236</u>
<b>Year ended 31 January 2016:</b>				
Profit and total comprehensive income for the year		-	79,145	79,145
Reduction of shares	<b>16</b>	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>
<b>Balance at 31 January 2016</b>		<u>535,002</u>	<u>372,379</u>	<u>907,381</u>

# MANOR OF GROVES LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		903,370		39,123
Income taxes paid			(267,210)		(39)
<b>Net cash inflow from operating activities</b>			636,160		39,084
<b>Investing activities</b>					
Purchase of tangible fixed assets		(293,743)		(89,578)	
Proceeds on disposal of tangible fixed assets		2,000		-	
Interest received		451		311	
<b>Net cash used in investing activities</b>			(291,292)		(89,267)
<b>Financing activities</b>					
Repayment of borrowings				(8,368)	
<b>Net cash used in financing activities</b>			-		(8,368)
<b>Net increase/(decrease) in cash and cash equivalents</b>			344,868		(58,551)
Cash and cash equivalents at beginning of year			222,808		381,360
<b>Cash and cash equivalents at end of year</b>			442,677		222,808
<b>CASH FLOW OUT OF BALANCE BY:</b>			124,999		100,001

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2016

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#### 1 Accounting policies

##### Company information

Manor of Groves Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is High Wych, Sawbridgeworth, Hertfordshire, CM21 0JU.

The group consists of Manor of Groves 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. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 January 2016 are the first financial statements of Manor of Groves Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 February 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £79,145 (2015 - £223,350 profit).

The consolidated financial statements incorporate those of Manor of Groves 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 January 2016. 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.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has 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.

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

### 1 Accounting policies

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Computer equipment	33% reducing balance
Motor vehicles	20% reducing balance

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 the profit and loss account.

#### 1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

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

#### 1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.



# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

---

### 1 Accounting policies

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

#### 1.8 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.

#### 1.9 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 debtors 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2016

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#### 1 Accounting policies

##### **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 end 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.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts 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 creditors 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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

---

### 1 Accounting policies

#### ***Derecognition of financial liabilities***

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

#### **1.10 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.

#### **1.11 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 profit and loss account 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 end 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 profit and loss account, 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.

#### **1.12 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 fixed 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.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

---

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

### 1 Accounting policies

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 more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover</b>		
Hotel operations	12,156,479	11,763,852
<b>Other significant revenue</b>		
Interest income	451	311

#### Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	12,156,479	11,763,852

### 3 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	246,668	257,968
Profit on disposal of tangible fixed assets	2,239	-
Operating lease charges	2,845,833	2,020,833

### 4 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5,636	4,917
Audit of the company's subsidiaries	10,000	6,459
	15,636	11,376

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

### 5 Employees

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

Number of administrative staff

2016 Number	2015 Number
285	263

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	3,666,438	3,382,186
Social security costs	210,035	201,063
Pension costs	8,905	5,145
	<u>3,885,378</u>	<u>3,588,394</u>

### 6 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Interest on bank deposits	<u>451</u>	<u>311</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>451</u>	<u>311</u>
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### 7 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	16,367	267,210
Adjustments in respect of prior periods	<u>18</u>	<u>21</u>
<b>Total current tax</b>	<u>16,385</u>	<u>267,231</u>

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2016

#### 7 Taxation

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:

	2016 £	2015 £
Profit before taxation	264,794	1,281,445
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.03%)	52,959	269,488
Tax effect of expenses that are not deductible in determining taxable profit	-	(4)
Unutilised tax losses carried forward	-	(1,797)
Permanent capital allowances in excess of depreciation	(36,574)	(456)
Tax expense for the year	16,385	267,231

#### 8 Intangible fixed assets

<b>Group</b>	<b>Goodwill</b>
	£
<b>Cost</b>	
At 1 February 2015 and 31 January 2016	310,000
<b>Amortisation and impairment</b>	
At 1 February 2015 and 31 January 2016	310,000
<b>Carrying amount</b>	
At 31 January 2016	-
At 31 January 2015	-

The company had no intangible fixed assets at 31 January 2016 or 31 January 2015.

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

### 9 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 February 2015	3,608,712	352,121	312,894	10,350	4,284,077
Additions	258,959	10,216	24,568	-	293,743
Disposals	-	-	-	(10,350)	(10,350)
At 31 January 2016	3,867,671	362,337	337,462	-	4,567,470
<b>Depreciation and impairment</b>					
At 1 February 2015	2,661,323	318,835	272,896	6,111	3,259,165
Depreciation charged in the year	222,120	10,502	14,046	-	246,668
Eliminated in respect of disposals	-	-	-	(6,111)	(6,111)
At 31 January 2016	2,883,443	329,337	286,942	-	3,499,722
<b>Carrying amount</b>					
At 31 January 2016	984,228	33,000	50,520	-	1,067,748
At 31 January 2015	947,390	33,286	39,998	4,239	1,024,913
<b>Company</b>					
	Plant and machinery	Fixtures, fittings & equipment	Computer equipment		Total
	£	£	£		£
<b>Cost</b>					
At 1 February 2015	2,095,400	322,471	216,380		2,634,251
Additions	71,970	10,216	-		82,186
At 31 January 2016	2,167,370	332,687	216,380		2,716,437
<b>Depreciation and impairment</b>					
At 1 February 2015	1,809,466	299,749	201,492		2,310,707
Depreciation charged in the year	62,629	8,389	2,978		73,996
At 31 January 2016	1,872,095	308,138	204,470		2,384,703
<b>Carrying amount</b>					
At 31 January 2016	295,275	24,549	11,910		331,734
At 31 January 2015	285,934	22,722	14,888		323,544

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

### 10 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	11		-	2	2

### 11 Subsidiaries

Details of the company's subsidiaries at 31 January 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
Shendish Hotel Limited	England and Wales	Hotel operations	Ordinary	100.00	
Regency Park Hotel Limited	England and Wales	Hotel operations	Ordinary	100.00	

### 12 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	139,091	147,266	72,376	77,789

### 13 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Amounts falling due within one year:</b>				
Trade debtors	337,514	412,666	69,759	133,282
Amounts due from subsidiary undertakings		-	1,580,895	854,607
Other debtors	3,220,289	3,153,414	21,823	227,532
Prepayments and accrued income	673,893	302,316	395,143	101,318
	<u>4,231,696</u>	<u>3,868,396</u>	<u>2,067,620</u>	<u>1,316,739</u>



# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

### 14 Creditors: amounts falling due within one year

	Group 2016 £	2015 £	Company 2016 £	2015 £
Trade creditors	301,050	458,219	106,827	183,209
Corporation tax payable	16,367	267,192	10,180	55,702
Other taxation and social security	289,063	373,070	88,847	129,661
Other creditors	3,128,788	1,946,322	1,369,645	247,922
Accruals and deferred income	231,885	427,930	74,188	211,368
	<u>3,967,153</u>	<u>3,472,733</u>	<u>1,649,687</u>	<u>827,862</u>

### 15 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>8,905</u>	<u>5,145</u>

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.

### 16 Share capital

	Group and company	
	2016 £	2015 £
<b>Ordinary share capital</b>		
Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
<b>Preference share capital</b>		
Issued and fully paid		
535,000 Preference shares of £1 each	<u>535,000</u>	<u>660,000</u>

### 17 Financial commitments, guarantees and contingent liabilities

There is a floating charge on all the assets of Manor of Groves Limited, Shendish Hotel Limited and Regency Park Hotel Limited by the Bangkok Bank Public Company Limited.

### 18 Operating lease commitments

#### Lessee

The operating leases represent leases of £3,100,000 (2015: £2,550,000) to third parties. The leases are negotiated over terms of over five years.

# MANOR OF GROVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2016

#### 19 Related party transactions

No guarantees have been given or received.

The company was under the joint control of Mr S B S Hung and Mrs M E Hung throughout the current and previous year.

Mr S B S Hung has acted as guarantor of the property lease since 6 December 1996, in that he has indemnified the lessor against all losses as a result of any failure by Manor of Groves Limited to comply with the terms of the lease.

Mr S B S Hung owns 100% of the issued share capital of Regency Homes Limited, a company registered in England and Wales.

As at 31 January 2016, Manor of Groves Limited owed the sum of £601,943 (2015: £29,372) to Regency Homes Limited.

As at 31 January 2016, Shendish Hotel Limited was owed £1,141,639 (2015: £1,096,400) by Regency Homes Limited.

As at 31 January 2016, Regency Park Hotel Limited was owed £2,018,843 (2015: £1,698,683) by Regency Homes Limited.

#### 20 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	248,409	1,014,214
Adjustments for:		
Taxation charged	16,385	267,231
Investment income	(451)	(311)
Loss on disposal of tangible fixed assets	2,239	-
Depreciation and impairment of tangible fixed assets	246,668	257,968
Movements in working capital:		
Decrease in stocks	8,175	4,482
(Increase) in debtors	(363,300)	(2,014,498)
Increase in creditors	745,245	510,037
<b>Cash generated from operations</b>	<b>903,370</b>	<b>39,123</b>