

MANOR OF GROVES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017



MANOR OF GROVES LIMITED

COMPANY INFORMATION

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

MANOR OF GROVES LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 26

MANOR OF GROVES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2017

The directors present the strategic report for the year ended 31 January 2017.


Fair review of the business

The hotel industry is facing an uncertain future, Uncertainty, pre and post the Referendum, as well as an economic slowdown, may impact corporate budgets and travel, a vital segment for hotels.

However, turnover for the group increased by £69,928 for the year ended 31 January 2017 although increased direct costs has reduced the gross margin. The group made a profit of £16,803 for the year.

The directors are confident that they have the correct management and systems in place to ensure profitable trading will continue in the future.

On behalf of the board



Mr S B S Hung

Director

20/10/17

MANOR OF GROVES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2017

The directors present their annual report and financial statements for the year ended 31 January 2017.

Principal activities

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.

Directors

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

Mrs M Hung
Mr S B S Hung

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £60,000. 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.

Statement of disclosure to auditor

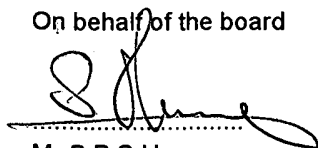
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order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

MANOR OF GROVES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

On behalf of the board



Mr S B S Hung

Director

Date: 30/10/2017

MANOR OF GROVES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2017

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.

MANOR OF GROVES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANOR OF GROVES LIMITED

We have audited the financial statements of Manor of Groves Limited for the year ended 31 January 2017 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 2017 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MANOR OF GROVES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MANOR OF GROVES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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



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

30/01/12
.....

Chartered Accountants
Statutory Auditor

Number One
Vicarage Lane
London
E15 4HF

MANOR OF GROVES LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2017

	Notes	2017 £	2016 £
Turnover	3	12,226,408	12,156,480
Cost of sales		(7,043,054)	(6,725,684)
Gross profit		5,183,354	5,430,796
Administrative expenses		(5,687,516)	(5,166,453)
Other operating income		520,774	-
Operating profit	4	16,612	264,343
Interest receivable and similar income	7	191	451
Profit before taxation		16,803	264,794
Tax on profit	8	6,965	(16,385)
Profit for the financial year		23,768	248,409

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

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 2017

	2017	2016
	£	£
Profit for the year	23,768	248,409
Other comprehensive income	-	-
Total comprehensive income for the year	<u>23,768</u>	<u>248,409</u>

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

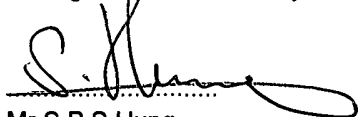
MANOR OF GROVES LIMITED

GROUP BALANCE SHEET

AS AT 31 JANUARY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	1,010,406		1,067,748	
Current assets					
Stocks	14	137,022		139,091	
Debtors	15	3,055,862		4,231,696	
Cash at bank and in hand		854,621		442,677	
		<u>4,047,505</u>		<u>4,813,464</u>	
Creditors: amounts falling due within one year	16	<u>(3,180,084)</u>		<u>(3,967,153)</u>	
Net current assets			867,421		846,311
Total assets less current liabilities			<u>1,877,827</u>		<u>1,914,059</u>
Capital and reserves					
Called up share capital	18	535,002		535,002	
Profit and loss reserves		<u>1,342,825</u>		<u>1,379,057</u>	
Total equity			<u>1,877,827</u>		<u>1,914,059</u>

The financial statements were approved by the board of directors and authorised for issue on 30/10/2017 and are signed on its behalf by:



Mr S B S Hung
Director

MANOR OF GROVES LIMITED

COMPANY BALANCE SHEET

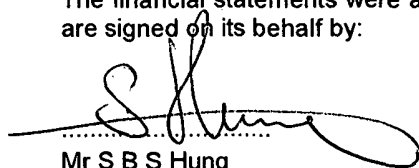
AS AT 31 JANUARY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	342,810		331,734	
Investments	12		2		2
		342,812		331,736	
Current assets					
Stocks	14	69,263		72,376	
Debtors	15	1,047,994		2,067,620	
Cash at bank and in hand		378,610		85,336	
		1,495,867		2,225,332	
Creditors: amounts falling due within one year	16	(983,292)		(1,649,687)	
Net current assets		512,575		575,645	
Total assets less current liabilities		855,387		907,381	
Capital and reserves					
Called up share capital	18	535,002		535,002	
Profit and loss reserves		320,385		372,379	
Total equity		855,387		907,381	

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 £8,006 (2016 - £79,145 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30/10/2017 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 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2015		660,002	1,130,648	1,790,650
Year ended 31 January 2016:				
Profit and total comprehensive income for the year		-	248,409	248,409
Redemption of shares	18	(125,000)	-	(125,000)
Balance at 31 January 2016		535,002	1,379,057	1,914,059
Year ended 31 January 2017:				
Profit and total comprehensive income for the year		-	23,768	23,768
Dividends	9	-	(60,000)	(60,000)
Balance at 31 January 2017		535,002	1,342,825	1,877,827

MANOR OF GROVES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2015		660,002	293,234	953,236
		<hr/>	<hr/>	<hr/>
Year ended 31 January 2016:				
Profit and total comprehensive income for the year		-	79,145	79,145
Redemption of shares	18	(125,000)	-	(125,000)
		<hr/>	<hr/>	<hr/>
Balance at 31 January 2016		535,002	372,379	907,381
		<hr/>	<hr/>	<hr/>
Year ended 31 January 2017:				
Profit and total comprehensive income for the year		-	8,006	8,006
Dividends	9	-	(60,000)	(60,000)
		<hr/>	<hr/>	<hr/>
Balance at 31 January 2017		535,002	320,385	855,387
		<hr/>	<hr/>	<hr/>

MANOR OF GROVES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	22	676,491		903,370	
Income taxes paid		(16,369)		(267,210)	
Net cash inflow from operating activities		660,122		636,160	
Investing activities					
Purchase of tangible fixed assets		(188,369)		(293,743)	
Proceeds on disposal of tangible fixed assets		-		2,000	
Interest received		191		451	
Net cash used in investing activities		(188,178)		(291,292)	
Financing activities					
Redemption of shares		-		(125,000)	
Dividends paid to equity shareholders		(60,000)		-	
Net cash used in financing activities		(60,000)		(125,000)	
Net increase in cash and cash equivalents		411,944		219,868	
Cash and cash equivalents at beginning of year		442,677		222,809	
Cash and cash equivalents at end of year		854,621		442,677	

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

Company information

Manor of Groves Limited ("the company") is a private 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.

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 2017. 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.

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.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

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

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.

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 the lower of replacement cost and 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 at bank and in hand

Cash at bank and in hand 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.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

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 balance sheet 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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade 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.

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 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.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

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

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.

2 Judgements and key sources of estimation uncertainty

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

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

MANOR OF GROVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2017

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Hotel operations	12,226,408	12,156,480

	2017 £	2016 £
Other significant revenue		
Interest income	191	451

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	12,226,408	12,156,479

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	245,713	246,668
(Profit)/loss on disposal of tangible fixed assets	-	2,239
Cost of stocks recognised as an expense	1,968,174	1,976,216
Operating lease charges	3,329,167	2,845,833

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	7,475	5,636
Audit of the financial statements of the company's subsidiaries	10,000	10,000
	17,475	15,636

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

6 Employees

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

Number of administrative staff

Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
331	327	143	140

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	3,873,338	3,666,438	1,558,541	1,377,796
Social security costs	213,087	210,035	77,816	70,780
Pension costs	9,864	8,905	5,374	5,122
	<u>4,096,289</u>	<u>3,885,378</u>	<u>1,641,731</u>	<u>1,453,698</u>

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	<u>191</u>	<u>451</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>191</u>	<u>451</u>
--	------------	------------

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	(6,965)	16,367
Adjustments in respect of prior periods	-	18
Total current tax	<u>(6,965)</u>	<u>16,385</u>

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

8 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:

	2017 £	2016 £
Profit before taxation	16,803	264,794
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	3,361	52,959
Permanent capital allowances in excess of depreciation	(10,326)	(36,574)
Taxation (credit)/charge for the year	(6,965)	16,385

9 Dividends

	2017 £	2016 £
Final paid	60,000	-

10 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 February 2016 and 31 January 2017	310,000
Amortisation and impairment	
At 1 February 2016 and 31 January 2017	310,000
Carrying amount	
At 31 January 2017	-
At 31 January 2016	-

The company had no intangible fixed assets at 31 January 2017 or 31 January 2016.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

11 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 February 2016	3,867,673	362,337	337,462	4,567,472
Additions	163,641	11,840	12,888	188,369
At 31 January 2017	4,031,314	374,177	350,350	4,755,841
Depreciation and impairment				
At 1 February 2016	2,883,443	329,337	286,942	3,499,722
Depreciation charged in the year	217,336	11,437	16,940	245,713
At 31 January 2017	3,100,779	340,774	303,882	3,745,435
Carrying amount				
At 31 January 2017	930,535	33,403	46,468	1,010,406
At 31 January 2016	984,228	33,000	50,520	1,067,748
Company				
	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 February 2016	2,167,372	332,687	216,380	2,716,439
Additions	84,264	11,840	-	96,104
At 31 January 2017	2,251,636	344,527	216,380	2,812,543
Depreciation and impairment				
At 1 February 2016	1,872,095	308,138	204,470	2,384,703
Depreciation charged in the year	72,901	9,747	2,382	85,030
At 31 January 2017	1,944,996	317,885	206,852	2,469,733
Carrying amount				
At 31 January 2017	306,640	26,642	9,528	342,810
At 31 January 2016	295,275	24,549	11,910	331,734

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

12 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	13	-	-	2	2

Movements in fixed asset investments Company

Shares in group undertakings

Cost or valuation

At 1 February 2016 and 31 January 2017

£

2

Carrying amount

At 31 January 2017

2

At 31 January 2016

2

13 Subsidiaries

Details of the company's subsidiaries at 31 January 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% 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	

14 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Raw materials and consumables	137,022	139,091	69,263	72,376

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

15 Debtors

	Group 2017	2016	Company 2017	2016
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	357,767	337,514	53,452	69,759
Corporation tax recoverable	6,965	-	6,965	-
Amounts due from group undertakings	-	-	476,174	1,580,895
Other debtors	2,022,072	3,220,289	120,874	21,823
Prepayments and accrued income	669,058	673,893	390,529	395,143
	<u>3,055,862</u>	<u>4,231,696</u>	<u>1,047,994</u>	<u>2,067,620</u>

16 Creditors: amounts falling due within one year

	Group 2017	2016	Company 2017	2016
	£	£	£	£
Trade creditors	630,873	301,050	277,220	106,827
Amounts due to group undertakings	-	-	15,039	-
Corporation tax payable	-	16,367	-	10,180
Other taxation and social security	132,706	289,063	21,170	88,847
Other creditors	2,186,254	3,128,788	572,422	1,369,645
Accruals and deferred income	230,251	231,885	97,441	74,188
	<u>3,180,084</u>	<u>3,967,153</u>	<u>983,292</u>	<u>1,649,687</u>

17 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>9,864</u>	<u>8,905</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.

18 Share capital

	Group and company 2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
Preference share capital		
Issued and fully paid		
535,000 Preference shares of £1 each	<u>535,000</u>	<u>535,000</u>

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

19 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.

20 Operating lease commitments

Lessee

The operating leases represent leases of £3,100,000 (2016: £3,100,000) to third parties. The leases are negotiated over terms of over five years.

21 Related party transactions

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 2017, Manor of Groves Limited was owed the sum of £59,057 (2016: creditor balance of £601,943) by Regency Homes Limited.

As at 31 January 2017, Shendish Hotel Limited was owed £16,653 (2016: £1,141,639) by Regency Homes Limited.

As at 31 January 2017, Regency Park Hotel Limited was owed £1,872,403 (2016: £2,018,843) by Regency Homes Limited.

As at 31 January 2017, Mr S B S Hung was owed the sum of £13,524 (2016: £6,928) by the group. The loan is interest free and repayable on demand.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

22 Cash generated from group operations

	2017	2016
	£	£
Profit for the year after tax	23,768	248,409
Adjustments for:		
Taxation (credited)/charged	(6,965)	16,385
Investment income	(191)	(451)
(Gain)/loss on disposal of tangible fixed assets	-	2,239
Depreciation and impairment of tangible fixed assets	245,713	246,668
Movements in working capital:		
Decrease in stocks	2,069	8,175
Decrease/(increase) in debtors	1,182,799	(363,300)
(Decrease)/increase in creditors	(770,702)	745,245
Cash generated from operations	676,491	903,370