

Company Registration No. 03210984 (England and Wales)

MANOR OF GROVES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

LB GROUP
Number One
Vicarage Lane
Stratford
London
England
E15 4HF

MANOR OF GROVES LIMITED

COMPANY INFORMATION

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

MANOR OF GROVES LIMITED

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MANOR OF GROVES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The directors present the strategic report for the year ended 31 January 2019.

Fair review of the business

The hotel industry is facing an uncertain future. Uncertainty, due to Brexit, as well as an economic slowdown, may impact corporate budgets and travel, a vital segment for hotels.

Turnover for the group fell by £155,618 for the year ended 31 January 2019 and increased direct costs has reduced the gross margin. However, rises in other income led to the group making a net profit of £392,196 for the year, compared to a net profit of £72,877 for the previous 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

18 October 2019

MANOR OF GROVES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The directors present their annual report and financial statements for the year ended 31 January 2019.

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 E Hung
Mr S B S Hung

Results and dividends

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

Ordinary dividends were paid amounting to £72,590. 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 (Stratford), 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 2019

On behalf of the board

Mr S B S Hung
Director

18 October 2019

MANOR OF GROVES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2019

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 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

Opinion

We have audited the financial statements of Manor of Groves Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2019 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, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MANOR OF GROVES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MANOR OF GROVES LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

MANOR OF GROVES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MANOR OF GROVES LIMITED

Use of our report

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

Richard Lane (Senior Statutory Auditor)
for and on behalf of LB Group (Stratford)

21 October 2019

Chartered Accountants
Statutory Auditor

Number One
Vicarage Lane
Stratford
London
England
E15 4HF

MANOR OF GROVES LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	2018 £
Turnover	3	11,943,914	12,099,533
Cost of sales		(7,401,862)	(7,092,289)
Gross profit		4,542,052	5,007,244
Administrative expenses		(5,715,859)	(5,469,145)
Other operating income		1,564,309	534,309
Operating profit	4	390,502	72,408
Interest receivable and similar income	7	1,694	469
Profit before taxation		392,196	72,877
Tax on profit	8	(233,474)	-
Profit for the financial year		158,722	72,877

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 2019

	2019	2018
	£	£
Profit for the year	158,722	72,877
Other comprehensive income	-	-
Total comprehensive income for the year	<u>158,722</u>	<u>72,877</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 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		1,171,102		988,725
Current assets					
Stocks	13	147,048		142,462	
Debtors	14	9,312,634		5,555,972	
Cash at bank and in hand		394,809		489,405	
		<u>9,854,491</u>		<u>6,187,839</u>	
Creditors: amounts falling due within one year	15	<u>(8,038,076)</u>		<u>(5,417,460)</u>	
Net current assets			1,816,415		770,379
Total assets less current liabilities			<u>2,987,517</u>		<u>1,759,104</u>
Creditors: amounts falling due after more than one year	16		(1,000,000)		-
Provisions for liabilities	17		<u>(172,281)</u>		<u>-</u>
Net assets			<u>1,815,236</u>		<u>1,759,104</u>
Capital and reserves					
Called up share capital	19	385,002		415,002	
Profit and loss reserves		1,430,234		1,344,102	
Total equity		<u>1,815,236</u>		<u>1,759,104</u>	

The financial statements were approved by the board of directors and authorised for issue on 18 October 2019 and are signed on its behalf by:

Mr S B S Hung
Director

MANOR OF GROVES LIMITED

COMPANY BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		487,238		368,159
Investments	11		102		102
			<u>487,340</u>		<u>368,261</u>
Current assets					
Stocks	13		73,507		73,623
Debtors	14		6,965,305		3,738,907
Cash at bank and in hand			100,336		139,098
			<u>7,139,148</u>		<u>3,951,628</u>
Creditors: amounts falling due within one year	15		<u>(5,781,676)</u>		<u>(3,617,020)</u>
Net current assets			<u>1,357,472</u>		<u>334,608</u>
Total assets less current liabilities			<u>1,844,812</u>		<u>702,869</u>
Creditors: amounts falling due after more than one year	16		(1,000,000)		-
Provisions for liabilities	17		<u>(74,263)</u>		<u>-</u>
Net assets			<u><u>770,549</u></u>		<u><u>702,869</u></u>
Capital and reserves					
Called up share capital	19		385,002		415,002
Profit and loss reserves			385,547		287,867
Total equity			<u><u>770,549</u></u>		<u><u>702,869</u></u>

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 £170,270 (2018 - £39,081 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 18 October 2019 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 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 February 2017		535,002	1,342,825	1,877,827
Year ended 31 January 2018:				
Profit and total comprehensive income for the year		-	72,877	72,877
Dividends	9	-	(71,600)	(71,600)
Redemption of shares	19	(120,000)	-	(120,000)
Balance at 31 January 2018		415,002	1,344,102	1,759,104
Year ended 31 January 2019:				
Profit and total comprehensive income for the year		-	158,722	158,722
Dividends	9	-	(72,590)	(72,590)
Redemption of shares	19	(30,000)	-	(30,000)
Balance at 31 January 2019		385,002	1,430,234	1,815,236

MANOR OF GROVES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 February 2017		535,002	320,385	855,387
Year ended 31 January 2018:				
Profit and total comprehensive income for the year		-	39,082	39,082
Dividends	9	-	(71,600)	(71,600)
Redemption of shares	19	(120,000)	-	(120,000)
Balance at 31 January 2018		415,002	287,867	702,869
Year ended 31 January 2019:				
Profit and total comprehensive income for the year		-	170,270	170,270
Dividends	9	-	(72,590)	(72,590)
Redemption of shares	19	(30,000)	-	(30,000)
Balance at 31 January 2019		385,002	385,547	770,549

MANOR OF GROVES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

		2019		2018	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23	465,982		45,083	
Income taxes refunded/(paid)		7,043		-	
Net cash inflow from operating activities		473,025		45,083	
Investing activities					
Purchase of tangible fixed assets		(471,074)		(220,835)	
Proceeds on disposal of tangible fixed assets		4,349		1,667	
Interest received		1,694		469	
Net cash used in investing activities		(465,031)		(218,699)	
Financing activities					
Redemption of shares		(30,000)		(120,000)	
Dividends paid to equity shareholders		(72,590)		(71,600)	
Net cash used in financing activities		(102,590)		(191,600)	
Net decrease in cash and cash equivalents		(94,596)		(365,216)	
Cash and cash equivalents at beginning of year		489,405		854,621	
Cash and cash equivalents at end of year		394,809		489,405	

MANOR OF GROVES LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	24	283,145		68,994	
Income taxes refunded/(paid)		7,043		-	
Net cash inflow from operating activities		290,188		68,994	
Investing activities					
Purchase of tangible fixed assets		(231,640)		(118,651)	
Proceeds on disposal of tangible fixed assets		4,349		1,667	
Proceeds on disposal of subsidiaries		-		(100)	
Interest received		931		178	
Net cash used in investing activities		(226,360)		(116,906)	
Financing activities					
Redemption of shares		(30,000)		(120,000)	
Dividends paid to equity shareholders		(72,590)		(71,600)	
Net cash used in financing activities		(102,590)		(191,600)	
Net decrease in cash and cash equivalents		(38,762)		(239,512)	
Cash and cash equivalents at beginning of year		139,098		378,610	
Cash and cash equivalents at end of year		100,336		139,098	

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

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 2019. 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 represents amounts receivable in respect of the provision of hotel accommodation, conference facilities and meals and golf income during the year, excluding VAT. Income for accommodation is recognised on a daily basis of the customers use of the hotel. Income related to Conference Facilities is recognised on an invoice basis issued after the use of the facility. Food and Beverage income is recognised at the point of sales to the customer. Income related to golf sales is recognised on a daily basis of the customers use of the golf course.

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 2019

1 Accounting policies

(Continued)

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 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 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.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies

(Continued)

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 2019

1 Accounting policies

(Continued)

Basic financial 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 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 transaction 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.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies

(Continued)

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.

1.13 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 profit or loss 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 leased asset are consumed.

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 2019

3 Turnover and other revenue

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

	2019 £	2018 £
Turnover analysed by class of business		
Hotel operations	11,943,914	12,099,533

	2019 £	2018 £
Other significant revenue		
Interest income	1,694	469

	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	11,943,914	12,099,533

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	285,768	240,849
Profit on disposal of tangible fixed assets	(1,420)	-
Cost of stocks recognised as an expense	1,958,187	1,965,871
Operating lease charges	3,100,000	3,100,000

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,225	5,092
Audit of the financial statements of the company's subsidiaries	10,475	10,184
	15,700	15,276

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

6 Employees

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

Number of administrative staff

Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
326	322	146	138

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	4,243,792	3,960,179	1,740,150	1,596,765
Social security costs	268,151	237,763	111,389	94,115
Pension costs	33,126	14,815	14,157	6,854
	4,545,069	4,212,757	1,865,696	1,697,734

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	1,694	469

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,694	469
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8 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	61,271	-
Adjustments in respect of prior periods	(78)	-
Total current tax	61,193	-
Deferred tax		
Origination and reversal of timing differences	172,281	-
Total tax charge	233,474	-

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

8 Taxation

(Continued)

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

	2019 £	2018 £
Profit before taxation	392,196	72,877
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 0%)	74,517	-
Permanent capital allowances in excess of depreciation	(31,600)	-
Depreciation on assets not qualifying for tax allowances	21,692	-
Under/(over) provided in prior years	1,089	-
Deferred tax adjustments in respect of prior years	239,099	-
Tax at marginal rate	1,089	-
	(7,424)	-
	116	-
Taxation charge	298,578	-
Taxation charge in the financial statements	233,474	-
<i>Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.</i>	65,104	-

9 Dividends

	2019 £	2018 £
Final paid	72,590	71,600

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

10 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 February 2018	4,146,277	431,107	397,625	-	4,975,009
Additions	311,533	32,183	106,943	20,415	471,074
Disposals	(6,844)	-	-	-	(6,844)
At 31 January 2019	4,450,966	463,290	504,568	20,415	5,439,239
Depreciation and impairment					
At 1 February 2018	3,299,460	363,060	323,764	-	3,986,284
Depreciation charged in the year	196,547	30,880	54,513	3,828	285,768
Eliminated in respect of disposals	(3,915)	-	-	-	(3,915)
At 31 January 2019	3,492,092	393,940	378,277	3,828	4,268,137
Carrying amount					
At 31 January 2019	958,874	69,350	126,291	16,587	1,171,102
At 31 January 2018	846,817	68,047	73,861	-	988,725
Company					
	£	£	£	£	£
Cost					
At 1 February 2018	2,311,690	401,457	216,380	-	2,929,527
Additions	179,042	32,183	-	20,415	231,640
Disposals	(4,349)	-	-	-	(4,349)
At 31 January 2019	2,486,383	433,640	216,380	20,415	3,156,818
Depreciation and impairment					
At 1 February 2018	2,013,791	338,819	208,758	-	2,561,368
Depreciation charged in the year	75,092	29,798	1,524	3,828	110,242
Eliminated in respect of disposals	(2,030)	-	-	-	(2,030)
At 31 January 2019	2,086,853	368,617	210,282	3,828	2,669,580
Carrying amount					
At 31 January 2019	399,530	65,023	6,098	16,587	487,238
At 31 January 2018	297,899	62,638	7,622	-	368,159

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

11 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	12	-	-	102	102
		==	==	==	==
Movements in fixed asset investments					
Company				Shares in group undertakings	
				£	
Cost or valuation					
At 1 February 2018 and 31 January 2019				102	
				—	
Carrying amount					
At 31 January 2019				102	
				==	
At 31 January 2018				102	
				==	

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

12 Subsidiaries

Details of the company's subsidiaries at 31 January 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct Indirect
Atrium Hotel Limited	England and Wales	Ordinary	100.00
Regency Park Hotel Limited	England and Wales	Ordinary	100.00
Shendish Hotel Limited	England and Wales	Ordinary	100.00

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

12 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Atrium Hotel Limited	(93,660)	(93,760)
Regency Park Hotel Limited	501,875	28,301
Shendish Hotel Limited	636,574	53,911

13 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	147,048	142,462	73,507	73,623

14 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	170,261	335,588	58,597	36,667
Corporation tax recoverable	-	6,965	-	6,965
Amounts owed by group undertakings	-	-	114,826	-
Other debtors	8,417,792	4,545,142	6,399,451	3,306,008
Prepayments and accrued income	724,581	668,277	392,431	389,267
	9,312,634	5,555,972	6,965,305	3,738,907

15 Creditors: amounts falling due within one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Trade creditors	509,192	496,752	239,139	174,761
Amounts owed to group undertakings	-	-	753,278	337,468
Corporation tax payable	61,271	-	14,249	-
Other taxation and social security	583,521	309,071	259,590	69,340
Other creditors	6,732,744	4,416,665	4,455,136	2,943,537
Accruals and deferred income	151,348	194,972	60,284	91,914
	8,038,076	5,417,460	5,781,676	3,617,020

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

16 Creditors: amounts falling due after more than one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Other creditors	1,000,000	-	1,000,000	-

17 Deferred taxation

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

Group	Liabilities 2019 £	Liabilities 2018 £
Accelerated capital allowances	172,281	-
	<u>172,281</u>	<u>-</u>
Company	Liabilities 2019 £	Liabilities 2018 £
Accelerated capital allowances	74,263	-
	<u>74,263</u>	<u>-</u>
Movements in the year:	Group 2019 £	Company 2019 £
Asset at 1 February 2018	-	-
Charge to profit or loss	172,281	74,263
	<u>172,281</u>	<u>74,263</u>
Liability at 31 January 2019	172,281	74,263
	<u>172,281</u>	<u>74,263</u>

The deferred tax liability set out above is expected to reverse in the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

18 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	33,126	14,815

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.

MANOR OF GROVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

19 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>
Preference share capital		
Issued and fully paid		
385,000 (2018: 415,000) Preference shares of £1 each	385,000	415,000
	<u> </u>	<u> </u>
Total equity share capital	<u>385,002</u>	<u>415,002</u>

20 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.

21 Operating lease commitments

Lessee

The operating leases represent leases of £3,100,000 (2018: £3,100,000) to third parties. The leases are negotiated over terms of over five years.

22 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 is a director and shareholder of Regency Homes Limited, a company registered in England and Wales.

As at 31 January 2019, the group owed the sum of £7,145,336 (2018: £4,838,624) to Regency Homes Limited.

As at 31 January 2019, Mr S B S Hung was owed the sum of £5,729 (2018: £7,564) 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 2019

23 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	158,722	72,877
Adjustments for:		
Taxation charged	233,474	-
Investment income	(1,694)	(469)
Gain on disposal of tangible fixed assets	(1,420)	-
Depreciation and impairment of tangible fixed assets	285,768	240,849
Movements in working capital:		
Increase in stocks	(4,586)	(5,440)
Increase in debtors	(3,763,627)	(2,500,110)
Increase in creditors	3,559,345	2,237,376
Cash generated from operations	465,982	45,083

24 Cash generated from operations - company

	2019 £	2018 £
Profit for the year after tax	170,270	39,082
Adjustments for:		
Taxation charged	88,434	-
Investment income	(931)	(178)
Gain on disposal of tangible fixed assets	(2,030)	-
Depreciation and impairment of tangible fixed assets	110,242	91,635
Movements in working capital:		
Decrease/(increase) in stocks	116	(4,360)
Increase in debtors	(3,233,363)	(2,690,913)
Increase in creditors	3,150,407	2,633,728
Cash generated from operations	283,145	68,994

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.