

Company registration number 03210984 (England and Wales)

MANOR OF GROVES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

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	Manor of Groves Limited High Wych Sawbridgeworth Hertfordshire UK CM21 0JU
Auditor	LB Group Limited (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 2022

The directors present the strategic report for the year ended 31 January 2022.

Fair review of the business

The hotel industry is facing an uncertain future, Uncertainty, due to the current economic climate resulting in higher levels of inflation and higher interest rates, as well as an economic slowdown, may impact corporate budgets and travel, a vital segment for hotels.

Turnover for the group rose by £11,728,762 for the year ended 31 January 2022 and gross margins have increased. This is a direct result of the impacts of Covid-19 on the prior year figures. The hotels spent a large proportion of the 2021 year closed as a result of Government policy. Increases in administrative costs (including rent) and falls in other operating income led to the group making a net profit of £112,334 for the year, compared to a net loss of £1,113,210 for the previous year. At the time of signing the financial statements the company is assessing and planning for the impact of the current economic climate. Due to the sector that the company is in they are expecting an increased disruption to their trade during this period which will have an impact on cash flows. The directors are confident that whilst the impact of the current climate on the UK economy will not be known for some time the resources of the company and its directors including tangible assets held within the group of companies, alongside support offered will enable the company to continue as a going concern for the foreseeable future.

On behalf of the board

Mr S B S Hung
Director

23 January 2023

MANOR OF GROVES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2022

The directors present their annual report and financial statements for the year ended 31 January 2022.

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.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £78,700. The directors do not recommend payment of a further dividend.

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

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 Limited (Stratford), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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 2022

On behalf of the board

Mr S B S Hung
Director

23 January 2023

MANOR OF GROVES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2022

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 ;
- prepare the 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

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 2022 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 notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2022 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 group and parent 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the hotel management sector;

MANOR OF GROVES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MANOR OF GROVES LIMITED

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Shaun Roberts
Senior Statutory Auditor
For and on behalf of LB Group Limited (Stratford)

23 January 2023

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 2022

		2022	2021
	Notes	£	as restated £
Turnover	3	17,847,057	6,118,296
Cost of sales		(8,563,452)	(8,017,532)
Gross profit/(loss)		9,283,605	(1,899,236)
Administrative expenses		(11,656,055)	(10,586,656)
Other operating income		2,533,326	11,398,902
Operating profit/(loss)	4	160,876	(1,086,990)
Interest receivable and similar income	8	403	164
Interest payable and similar expenses	9	(22,426)	(23,423)
Profit/(loss) before taxation		138,853	(1,110,249)
Tax on profit/(loss)	10	55,881	(2,961)
Profit/(loss) for the financial year		194,734	(1,113,210)

Profit/(loss) 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 2022

	2022	2021 as restated
	£	£
Profit/(loss) for the year	194,734	(1,113,210)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>194,734</u>	<u>(1,113,210)</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 2022

		2022		2021	
	Notes	£	£	as restated £	£
Fixed assets					
Tangible assets	12		1,427,806		1,864,897
Current assets					
Stocks	15	157,554		106,584	
Debtors	16	12,666,458		13,704,446	
Cash at bank and in hand		943,311		133,272	
		13,767,323		13,944,302	
Creditors: amounts falling due within one year	17	(15,048,927)		(14,504,905)	
Net current liabilities			(1,281,604)		(560,603)
Total assets less current liabilities			146,202		1,304,294
Creditors: amounts falling due after more than one year	18		(106,092)		(1,324,338)
Provisions for liabilities					
Deferred tax liability	20	251,141		307,021	
			(251,141)		(307,021)
Net liabilities			(211,031)		(327,065)
Capital and reserves					
Called up share capital	22		385,002		385,002
Profit and loss reserves			(596,033)		(712,067)
Total equity			(211,031)		(327,065)

The financial statements were approved by the board of directors and authorised for issue on 23 January 2023 and are signed on its behalf by:

Mr S B S Hung
Director

Company registration number 03210984 (England and Wales)

MANOR OF GROVES LIMITED

COMPANY BALANCE SHEET

AS AT 31 JANUARY 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		525,787		606,277
Investments	13		102		102
			<u>525,889</u>		<u>606,379</u>
Current assets					
Stocks	15	85,652		56,725	
Debtors	16	10,104,198		9,706,669	
Cash at bank and in hand		121,857		37,436	
		<u>10,311,707</u>		<u>9,800,830</u>	
Creditors: amounts falling due within one year	17	<u>(9,802,895)</u>		<u>(8,260,368)</u>	
Net current assets			<u>508,812</u>		<u>1,540,462</u>
Total assets less current liabilities			<u>1,034,701</u>		<u>2,146,841</u>
Creditors: amounts falling due after more than one year	18		(53,342)		(1,086,012)
Provisions for liabilities					
Deferred tax liability	20	111,434		111,961	
		<u>(111,434)</u>		<u>(111,961)</u>	
Net assets			<u>869,925</u>		<u>948,868</u>
Capital and reserves					
Called up share capital	22		385,002		385,002
Profit and loss reserves			484,923		563,866
Total equity			<u>869,925</u>		<u>948,868</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 loss for the year was £243 (2021 - £110,721 profit).

The financial statements were approved by the board of directors and authorised for issue on 23 January 2023 and are signed on its behalf by:

Mr S B S Hung
Director

Company registration number 03210984 (England and Wales)

MANOR OF GROVES LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
As restated for the period ended 31 January 2021:				
Balance at 1 February 2020		385,002	479,843	864,845
Year ended 31 January 2021:				
Loss and total comprehensive income for the year		-	(1,113,210)	(1,113,210)
Dividends	11	-	(78,700)	(78,700)
Balance at 31 January 2021		385,002	(712,067)	(327,065)
Year ended 31 January 2022:				
Profit and total comprehensive income for the year		-	194,734	194,734
Dividends	11	-	(78,700)	(78,700)
Balance at 31 January 2022		385,002	(596,033)	(211,031)

MANOR OF GROVES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
As restated for the period ended 31 January 2021:				
Balance at 1 February 2020		385,002	531,845	916,847
Year ended 31 January 2021:				
Profit and total comprehensive income for the year		-	110,721	110,721
Dividends	11	-	(78,700)	(78,700)
Balance at 31 January 2021		385,002	563,866	948,868
Year ended 31 January 2022:				
Loss and total comprehensive income for the year		-	(243)	(243)
Dividends	11	-	(78,700)	(78,700)
Balance at 31 January 2022		385,002	484,923	869,925

MANOR OF GROVES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2022

		2022		2021	
	Notes	£	£	as restated	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		1,673,885		(124,046)
Interest paid			(22,426)		(23,423)
Net cash inflow/(outflow) from operating activities			1,651,459		(147,469)
Investing activities					
Purchase of tangible fixed assets		(421,547)		(270,353)	
Proceeds from disposal of tangible fixed assets		2		-	
Interest received		403		164	
Net cash used in investing activities			(421,142)		(270,189)
Financing activities					
Receipt of bank loans		(165,469)		277,316	
Payment of finance leases obligations		(176,109)		(123,712)	
Dividends paid to equity shareholders		(78,700)		(78,700)	
Net cash (used in)/generated from financing activities			(420,278)		74,904
Net increase/(decrease) in cash and cash equivalents			810,039		(342,754)
Cash and cash equivalents at beginning of year			133,272		476,026
Cash and cash equivalents at end of year			943,311		133,272

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

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.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Manor of Groves Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 January 2022. 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.

1.3 Going concern

The group made a profit of £112,334 for the year ended 31 January 2022 and the group has net liabilities of £293,431 as at 31 January 2022.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the continued financial support of the landlord and related entities of which there are amounts owing of £11.3m which will not be recalled to the detriment of the company. The financial statements do not include any adjustments that might result if financial support is not provided by these parties.

At the time of signing the financial statements the company is assessing and planning for the impact of the Covid-19 pandemic. Due to the sector that the company is in they are expecting an increased disruption to their trade during this period and is therefore expecting an impact on cash flows. The directors are confident that whilst the impact of Covid-19 on the UK economy will not be known for some time the resources of the company and its directors including tangible assets held within the group of companies, alongside Government and bank support offered will enable the company to continue as a going concern for the foreseeable future.

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

1.4 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.

1.5 Tangible fixed assets

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

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

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 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.

1.7 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.

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

1.8 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 cost and replacement 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.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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.

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

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.

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.11 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.

1.12 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.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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.

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

1.15 Retirement benefits

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

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

3 Turnover and other revenue

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

	2022 £	2021 £
Turnover analysed by class of business		
Hotel Accomodation	10,000,824	4,353,183
Food & Beverage	5,297,748	243,519
Room & Equipment Hire	916,858	118,573
Health club & Beauty Salon	875,206	497,711
Golf Club	684,487	803,616
Miscellaneous	71,934	101,694
	<u>17,847,057</u>	<u>6,118,296</u>

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	<u>17,847,057</u>	<u>6,118,296</u>

	2022 £	2021 £
Other revenue		
Interest income	403	164
Grants received	769,139	4,157,102
Management charges	-	4,678,883
	<u></u>	<u></u>

4 Operating profit/(loss)

	2022 £	2021 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(769,139)	(4,157,102)
Depreciation of owned tangible fixed assets	362,375	314,533
Depreciation of tangible fixed assets held under finance leases	122,756	188,954
Loss on disposal of tangible fixed assets	373,505	-
Operating lease charges	<u>7,600,000</u>	<u>7,600,000</u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	8,500	7,500
Audit of the financial statements of the company's subsidiaries	<u>15,000</u>	<u>13,400</u>
	<u>23,500</u>	<u>20,900</u>

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

5 Auditor's remuneration (Continued)

6 Employees

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

Number of administrative staff

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Administrative and direct hotel staff	317	315	132	131

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	5,194,424	4,613,836	1,605,112	1,534,407
Social security costs	320,459	302,760	121,886	110,394
Pension costs	66,318	64,446	26,596	24,382
	5,581,201	4,981,042	1,753,594	1,669,183

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	7,301	-

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	403	164

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	859	4,421
Other finance costs:		
Interest on finance leases and hire purchase contracts	19,355	18,911
Other interest	2,212	91
Total finance costs	22,426	23,423

10 Taxation

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	(55,881)	(11,649)
Changes in tax rates	-	14,610
Total deferred tax	(55,881)	2,961

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

	2022	2021
	£	£
Profit/(loss) before taxation	138,853	(1,110,249)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	26,382	(210,947)
Tax effect of expenses that are not deductible in determining taxable profit	4,336	133
Tax effect of utilisation of tax losses not previously recognised	(25,210)	-
Unutilised tax losses carried forward	-	193,619
Permanent capital allowances in excess of depreciation	(35,167)	(77,047)
Depreciation on assets not qualifying for tax allowances	30,187	95,682
Deferred tax adjustments in respect of prior years	-	2,961
Pensions	-	(1,440)
Deferred tax	(56,409)	-
Taxation (credit)/charge	(55,881)	2,961

11 Dividends

	2022	2021
	£	£
Recognised as distributions to equity holders:		
Final paid	78,700	78,700

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

12 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 February 2021	5,583,688	501,388	961,742	20,415	7,067,233
Additions	383,084	3,278	35,185	-	421,547
Disposals	(4,138,799)	(429,824)	(365,524)	-	(4,934,147)
At 31 January 2022	1,827,973	74,842	631,403	20,415	2,554,633
Depreciation and impairment					
At 1 February 2021	4,117,795	446,081	627,375	11,085	5,202,336
Depreciation charged in the year	345,348	18,446	119,004	2,333	485,131
Eliminated in respect of disposals	(3,792,268)	(415,237)	(353,135)	-	(4,560,640)
At 31 January 2022	670,875	49,290	393,244	13,418	1,126,827
Carrying amount					
At 31 January 2022	1,157,098	25,552	238,159	6,997	1,427,806
At 31 January 2021	1,465,893	55,307	334,367	9,330	1,864,897
Company					
	£	£	£	£	£
Cost					
At 1 February 2021	2,688,873	471,738	365,205	20,415	3,546,231
Additions	213,037	3,278	-	-	216,315
Disposals	(2,307,341)	(400,174)	(216,380)	-	(2,923,895)
At 31 January 2022	594,569	74,842	148,825	20,415	838,651
Depreciation and impairment					
At 1 February 2021	2,255,520	419,201	254,148	11,085	2,939,954
Depreciation charged in the year	116,442	17,892	22,211	2,333	158,878
Eliminated in respect of disposals	(2,184,907)	(387,803)	(213,258)	-	(2,785,968)
At 31 January 2022	187,055	49,290	63,101	13,418	312,864
Carrying amount					
At 31 January 2022	407,514	25,552	85,724	6,997	525,787
At 31 January 2021	433,353	52,537	111,057	9,330	606,277

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other assets	405,305	506,630	85,724	107,154

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	102	102

Movements in fixed asset investments Company

Shares in
subsidiaries
£

Cost or valuation

At 1 February 2021 and 31 January 2022

102

Carrying amount

At 31 January 2022

102

At 31 January 2021

102

14 Subsidiaries

Details of the company's subsidiaries at 31 January 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
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

15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Hotel goods and consumables	157,554	106,584	85,652	56,725

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	63,369	108,685	10,856	605
Other debtors	11,200,951	12,226,247	9,888,419	9,504,022
Prepayments and accrued income	1,402,138	1,369,514	204,923	202,042
	<u>12,666,458</u>	<u>13,704,446</u>	<u>10,104,198</u>	<u>9,706,669</u>

Included within other debtors is £11,170,183 (2021: £11,171,006) due from related parties. Details of this balance have been included within note 25 below.

17 Creditors: amounts falling due within one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans		111,847	161,340	-	-
Obligations under finance leases	19	189,737	263,576	30,213	28,757
Amounts owed to related undertakings		11,305,876	11,764,274	724,448	729,110
Trade creditors		733,776	548,646	171,457	192,029
Amounts owed to group undertakings		-	-	8,077,424	6,450,774
Other taxation and social security		425,629	590,822	277,215	408,540
Other creditors		1,892,124	1,009,983	426,213	383,577
Accruals and deferred income		389,938	166,264	95,925	67,581
		<u>15,048,927</u>	<u>14,504,905</u>	<u>9,802,895</u>	<u>8,260,368</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts		-	115,976	-	-
Obligations under finance leases	19	106,092	208,362	53,342	86,012
Amounts owed to related undertakings		-	1,000,000	-	1,000,000
		<u>106,092</u>	<u>1,324,338</u>	<u>53,342</u>	<u>1,086,012</u>

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

19 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	189,737	263,576	30,213	28,757
In two to five years	106,092	208,362	53,342	86,012
	<u>295,829</u>	<u>471,938</u>	<u>83,555</u>	<u>114,769</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 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:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	<u>251,141</u>	<u>307,021</u>
	Liabilities 2022 £	Liabilities 2021 £
Company		
Accelerated capital allowances	<u>111,434</u>	<u>111,961</u>
	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 February 2021	307,021	111,961
Credit to profit or loss	(55,880)	(527)
Liability at 31 January 2022	<u>251,141</u>	<u>111,434</u>

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

21 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	66,318	64,446

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.

22 Share capital

	Group and company	
	2022	2021
Ordinary share capital	£	£
Issued and fully paid		
2 Ordinary shares of £1 each	2	2
Preference share capital		
Issued and fully paid		
385,000 Preference shares of £1 each	385,000	385,000
Total equity share capital	385,002	385,002

The preference shares are redeemable at the discretion of the directors. Dividends paid on these are also at the Directors' discretion.

23 Financial commitments, guarantees and contingent liabilities

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

24 Operating lease commitments

Lessee

The operating leases represent leases of £7,600,000 (2021: £7,600,000) to third parties. The leases are negotiated over terms of over five years, but are cancellable within 12 months.

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

25 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.

Company

As at 31 January 2022, Manor of Groves Limited owed the net sum of £8,076,424 (2021: £6,450,774) to the fellow group undertakings being £2,036,272 owed to Shendish Hotel Limited, £1,585,973 owed to Regency Park Hotel Limited and £4,455,179 owed to Atrium Hotel Limited.

As at the 31 January 2022, the company was owed £9,871,433 (2021: £9,213,609) by related undertakings being £6,389,302 (2021: £9,199,058) from Planned Holdings Limited, £3,409,293 (2021: £9,293) from SMIS North Street Limited and £72,839 (2021: £5,259) from Regency Homes Management Services Limited.

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 2022 Manor of Groves Limited owed the sum of £724,448 (2021: £1,729,110) to Regency Homes Limited.

As at 31 January 2022, Mr S B S Hung was owed the sum of £58,544 (2021: £162,932) from the company.

The loan is interest free and repayable on demand.

Group

Mr S B S Hung is a director and shareholder of Regency Homes Limited, a company registered in England and Wales.

As at the 31 January 2022, the group was owed £11,170,383 (2021: £11,171,006) by related undertakings being £7,688,052 (2021: £10,988,088) from Planned Holdings Limited, £3,409,293 (2021: £9,293) from SMIS North Street Limited and £72,839 (2021: £5,259) from Regency Homes Management Services Limited.

As at the 31 January 2022, the group owed £11,305,876 (2021: £12,764,274) to related undertakings being £5,647,500 (2021: £2,137,500) to Planned Holdings Limited and £5,658,375 (2021: £9,626,774) to Regency Homes Limited.

As at 31 January 2022, Mr S B S Hung was owed the sum of £62,728 (2021: £167,116) by the group. The loan is interest free and repayable on demand.

26 Financial commitments, guarantees and contingent liabilities

There is a floating charge on all the assets of the group by the Bangkok Bank Public Company Limited.

27 Controlling party

The ultimate controlling parties are Mr S B S Hung and Mrs M E Hung.

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

28 Cash generated from/(absorbed by) group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	194,734	(1,113,210)
Adjustments for:		
Taxation (credited)/charged	(55,881)	2,961
Finance costs	22,426	23,423
Investment income	(403)	(164)
Loss on disposal of tangible fixed assets	373,505	-
Depreciation and impairment of tangible fixed assets	485,131	503,487
Movements in working capital:		
(Increase)/decrease in stocks	(50,970)	70,944
Decrease/(increase) in debtors	1,037,988	(2,128,529)
(Decrease)/increase in creditors	(332,646)	2,517,042
Cash generated from/(absorbed by) operations	1,673,884	(124,046)
Difference	1	-
Per cash flow statement page	1,673,885	(124,046)

29 Analysis of changes in net funds/(debt) - group

	1 February 2021 £	Cash flows £	31 January 2022 £
Cash at bank and in hand	133,272	810,039	943,311
Borrowings excluding overdrafts	(161,340)	49,493	(111,847)
Obligations under finance leases	(471,938)	176,109	(295,829)
	(500,006)	1,035,641	535,635

30 Prior period adjustment

Reconciliation of changes in equity - group

The prior period adjustments do not give rise to any effect upon equity.

Reconciliation of changes in loss for the previous financial period

	2021 £
Adjustments to prior year	
Total adjustments	-
Loss as previously reported	(1,113,210)
Loss as adjusted	(1,113,210)

MANOR OF GROVES LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

30 Prior period adjustment

(Continued)

Reconciliation of changes in equity - company

The prior period adjustments do not give rise to any effect upon equity.

Reconciliation of changes in profit for the previous financial period

	2021 £
Adjustments to prior year	
Total adjustments	-
Profit as previously reported	110,721
Profit as adjusted	<u>110,721</u>

Notes to reconciliation - group

Reallocation of JRS government grant received

In the prior period government grants were incorrectly allocated against cost of sales as negatives. The comparatives have been restated to correct this and bring the treatment in line with FRS102 and the group's accounting policies. The impacts of this are an increase to Cost of Sales and a corresponding decrease in Gross Profit of £1,914,746 and an increase in admin expenses of £162,305. The corresponding impact is an increase in Other Operating Income of £2,077,051. There are no impacts to the Profit for the 2021 year or Equity.

Notes to reconciliation - company

Reallocation of JRS government grant received

In the prior period government grants were incorrectly allocated against cost of sales as negatives. The comparatives have been restated to correct this and bring the treatment in line with FRS102 and the company's accounting policies. The impacts of this are an increase to Cost of Sales and a corresponding decrease in Gross Profit of £716,274. The corresponding impact is an increase in Other Operating Income of £716,274. There are no impacts to the Profit for the 2021 year or Equity.

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.