

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
TYLNEY HALL HOTEL LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2020**

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**COMPANY INFORMATION
for the Year Ended 31 March 2020**

DIRECTORS: G C Bateman
S J Willis
R S Callaghan

SECRETARY: R S Callaghan

REGISTERED OFFICE: Ashdown Park
Wych Cross
Forest Row
East Sussex
RH18 5RJ

REGISTERED NUMBER: 01853685 (England and Wales)

AUDITORS: Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

**STRATEGIC REPORT
for the Year Ended 31 March 2020**

The directors present their strategic report for the year ended 31 March 2020.

REVIEW OF BUSINESS

The hotel continues to operate in the luxury hotel market always aiming to deliver distinctly memorable experiences.

Sales for the year ended 31 March 2020 were £6,588,028 (2019: £6,751,486). Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) were £279,614 (2019: £430,190).

During the year the business has faced several external challenges, with Quarter 4 significantly impacted by COVID-19, ultimately forcing the hotels to close in late March. Brexit deadline extensions, a December general election and the prevailing economic uncertainty also impacted hotel occupancy across all market sectors during the period.

Following the general election the green shoots of recovery that were clearly evident were unfortunately wiped out by the pandemic. This does however give hope for a swift recovery when external circumstances allow.

KEY PERFORMANCE INDICATORS

The hotels main key performance indicators are Average Room Rate, Revenue per Available Room and Occupancy in addition to EBITDA and Turnover, all of which are closely monitored by the directors.

PRINCIPAL RISKS AND UNCERTAINTIES

Market, Economic and Competition risk - The group is exposed to normal market and economic risks and manages competition risk by concentrating on its strengths and maintaining its established luxury brand with the focus on guest experience.

Financial risk - The group is exposed to interest rate rises, however the directors have fully considered financial risk and are confident these will not threaten the companies' going concern presumption.

Regulatory risk - The group minimises regulatory risk by training key personnel and appointing external experts where appropriate, to assess any potential non compliance. Health and safety, hygiene and accounting are examples of externally audited areas.

Impairment Review - The directors have considered the current business valuations and in light of the economic uncertainty arising from the COVID-19 pandemic, it was felt that it was best to defer any revaluations until greater certainty is available. In line with financial obligations, full valuations will be completed in 2021.

PEOPLE

Elite Hotels understand and appreciate the vital role its employees play in the current and future success of the business.

To encourage employee development the group continues to operate and enhance its training and development programmes and remains accredited by Investors in People. Employees are kept informed on a wide range of matters including the future strategy of the company.

CORPORATE SOCIAL RESPONSIBILITY

Elite Hotels places great importance on its Corporate Social Responsibility. Each hotel aims to ensure that they are a key player within the heart of respective local communities, in line with the values of its ultimate parent The Incorporated Trustees of the Rotherwick Foundation, a UK registered charity.

ENVIRONMENTAL

Elite Hotels continue to actively monitor energy consumption and has made advancements in a number of areas in the

financial year. Some of the key achievements are disclosed in the Streamlined Energy & Carbon Report detailed in the accounts of the parent company.

FUTURE DEVELOPMENTS

The directors' strategy remains to continue investment in refurbishing, upgrading and developing the hotel facilities to enhance the guest experience and increase return on investment

**STRATEGIC REPORT
for the Year Ended 31 March 2020**

COMPLIANCE WITH MODERN SLAVERY ACT

Following the enactment of the Modern Slavery Act in October 2015 Elite Hotels has reviewed its procurement and human rights practices and those of its supply chain in light of this act. Elite Hotels' suppliers are UK based entities and, having reviewed the requirements of the Modern Slavery Act, it has taken action to comply with the regulations. Elite does not support forced and compulsory labour or the exploitation of children.

ON BEHALF OF THE BOARD:

G C Bateman - Director

23 September 2020

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

G C Bateman
S J Willis
R S Callaghan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

G C Bateman - Director

23 September 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TYLNEY HALL HOTEL LIMITED

Qualified opinion

We have audited the financial statements of Tylney Hall Hotel Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 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, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements give a true and fair view of the financial position of Tylney Hall Hotel Limited as at 31st March 2020, and of its financial performance and its cash flows for the year then ended.

Basis for qualified 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 Auditors' 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. 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 Auditors' 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.

Tylney Hall Hotel Limited's property, plant and equipment is carried at £17,399,302 on the balance sheet as at 31 March

2020. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Tylney Hall Hotel

Limited's property, plant and equipment as at 31 March 2020 as a result of COVID-19. Consequently we were unable to

determine whether any adjustments to these amounts were necessary.

Conclusions relating to going concern

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

you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast

- significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period

- of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

We draw your attention to note 2 in the financial statements, which describes the effect of the Coronavirus on the

business activities and going concern considerations. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TYLNEY HALL HOTEL LIMITED**

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 a Report of the Auditors that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TYLNEY HALL HOTEL 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 a Report of the Auditors 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.

Amy Smith (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

23 September 2020

**INCOME STATEMENT
for the Year Ended 31 March 2020**

	Notes	31.3.20 £	31.3.19 £
TURNOVER	3	6,588,028	6,751,486
Cost of sales		<u>3,320,508</u>	<u>3,279,995</u>
GROSS PROFIT		3,267,520	3,471,491
Administrative and overhead expenses		<u>3,338,763</u> (71,243)	<u>3,337,179</u> 134,312
Other operating income		<u>15,352</u>	<u>-</u>
OPERATING (LOSS)/PROFIT	6	(55,891)	134,312
Interest payable and similar expenses	7	<u>16,740</u>	<u>8,995</u>
(LOSS)/PROFIT BEFORE TAXATION		(72,631)	125,317
Tax on (loss)/profit	8	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(72,631)</u>	<u>125,317</u>

**OTHER COMPREHENSIVE INCOME
for the Year Ended 31 March 2020**

	31.3.20 £	31.3.19 £
Notes		
(LOSS)/PROFIT FOR THE YEAR	(72,631)	125,317
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>(72,631)</u></u>	<u><u>125,317</u></u>

BALANCE SHEET
31 March
2020

	Notes	31.3.20 £	£	31.3.19 £	£
FIXED ASSETS					
Tangible assets	10		17,399,302		17,055,534
CURRENT ASSETS					
Stocks	11	72,601		80,730	
Debtors	12	194,187		241,628	
Cash at bank and in hand		<u>26,716</u>		<u>251,897</u>	
		293,504		574,255	
CREDITORS					
Amounts falling due within one year	13	<u>813,279</u>		<u>1,172,503</u>	
NET CURRENT LIABILITIES			<u>(519,775)</u>		<u>(598,248)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			16,879,527		16,457,286
CREDITORS					
Amounts falling due after more than one year	14		851,543		356,671
NET ASSETS			<u><u>16,027,984</u></u>		<u><u>16,100,615</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		1,000		1,000
Share premium	18		6,999,100		6,999,100
Unrealised revenue reserve	18		6,680,837		6,680,837
Retained earnings	18		<u>2,347,047</u>		<u>2,419,678</u>
SHAREHOLDERS' FUNDS			<u><u>16,027,984</u></u>		<u><u>16,100,615</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2020 and were signed on its behalf by:

G C Bateman - Director

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2020**

	Called up share capital £	Retained earnings £	Share premium £	Unrealised revenue reserve £	Total equity £
Balance at 1 April 2018	1,000	2,294,361	6,999,100	6,680,837	15,975,298
Changes in equity					
Total comprehensive income	-	125,317	-	-	125,317
Balance at 31 March 2019	<u>1,000</u>	<u>2,419,678</u>	<u>6,999,100</u>	<u>6,680,837</u>	<u>16,100,615</u>
Changes in equity					
Total comprehensive income	-	(72,631)	-	-	(72,631)
Balance at 31 March 2020	<u>1,000</u>	<u>2,347,047</u>	<u>6,999,100</u>	<u>6,680,837</u>	<u>16,027,984</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2020**

1. STATUTORY INFORMATION

Tylney Hall Hotel Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's trading address is Rotherwick, Hook, Hampshire RG27 9AZ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

As at the year end, the hotel was closed for business due to the Covid-19 pandemic. This continued into the first few months of the year ended 31 March 2021. The parent company, Elite Hotels (Rotherwick) Limited has arranged an additional facility with HSBC Bank Plc for further funding as a result of the crisis. As a result of this additional funding and a review of the forecasts in light of the current Covid-19 guidance, it is considered that the group as a whole has adequate resources to continue in operational existence. Further, Elite Hotels (Rotherwick) Limited has indicated it is willing to support Tylney Hall Hotel Limited for a period of at least twelve months and one day from the date the audit report is signed. Accordingly, they continue to adopt the going concern basis.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements and key sources of estimation uncertainty

Depreciation - management uses judgement to estimate the useful lives and residual value of depreciating tangible fixed assets.

Deferred tax - management uses judgement in concluding whether any possible deferred tax asset should be recognised.

Property valuation - management uses judgement in concluding whether the market value of the property exceeds the value held in the financial statements and whether any impairment should be considered.

Turnover

Turnover represents income from hotel and restaurant operations, excluding value added tax and is recognised on provision of the related service.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & machinery	- 5% on cost
Fixtures, fittings & equipment	- Straight line between 3 and 8 years
Motor vehicles	- 30% on reducing balance

Following the adoption of FRS102 the directors have adopted the cost model for tangible fixed assets.

Depreciation is provided on freehold land and buildings at 0% per annum on the basis that the hotel is an historical building, hence the useful economic life cannot be reasonably estimated. Additionally the directors' opinion is that the valuation of the property is higher than the book value. This is in accordance with accounting standard FRS 102. The directors have considered the value of the property, in light of the recent valuation, and do not believe any impairment to the value included in the financial statements is necessary.

The directors deem that fixtures and fittings are disposed of after eight years and so at the end of this period a disposal is included to remove the accumulated cost and depreciation from the financial statements.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks are measured using the FIFO basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax liabilities are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held

under hire purchase contracts are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss Page 13 Period to which they relate. continued...

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

Basic Financial Instruments as covered by Section 11 of FRS 102 are measured at amortised cost. The company does not have any Other Financial Instruments as covered by Section 12 of FRS 102.

Government grants

Government grants relating to the Coronavirus Jobs Retention Scheme (CJRS) are recognised on an accruals basis.

3. TURNOVER

The turnover and loss (2019 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.3.20	31.3.19
	£	£
Accommodation	2,779,458	2,807,997
Food & beverages	3,016,672	3,142,615
Non-bedroom room hire	392,434	377,722
Leisure & spa	215,460	236,909
Other	<u>184,004</u>	<u>186,243</u>
	<u><u>6,588,028</u></u>	<u><u>6,751,486</u></u>

4. EMPLOYEES AND DIRECTORS

	31.3.20	31.3.19
	£	£
Wages and salaries	2,638,456	2,674,290
Social security costs	197,673	193,639
Other pension costs	<u>45,092</u>	<u>47,266</u>
	<u><u>2,881,221</u></u>	<u><u>2,915,195</u></u>

The average number of employees during the year was as follows:

	31.3.20	31.3.19
Hotel services and catering staff	143	139
Management and administration	<u>20</u>	<u>24</u>
	<u><u>163</u></u>	<u><u>163</u></u>

5. DIRECTORS' EMOLUMENTS

	31.3.20	31.3.19
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020**

6. OPERATING (LOSS)/PROFIT

The operating loss (2019 - operating profit) is stated after charging/(crediting):

	31.3.20	31.3.19
	£	£
Hire of plant and machinery	9,988	9,666
Other operating leases	16,120	16,586
Depreciation - owned assets	322,853	287,049
Depreciation - assets on hire purchase contracts	8,827	8,827
Loss/(profit) on disposal of fixed assets	3,825	(120)
Auditors' remuneration	23,000	20,300
Direct operating expenses	<u>1,214,681</u>	<u>1,273,339</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.20	31.3.19
	£	£
Intercompany loan interest	<u>16,740</u>	<u>8,995</u>

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.20	31.3.19
	£	£
(Loss)/profit before tax	<u>(72,631)</u>	<u>125,317</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(13,800)	23,810
Effects of:		
Expenses not deductible for tax purposes	(1,998)	767
Capital allowances in excess of depreciation	(38,271)	(30,394)
Losses carried forward	39,575	5,817
Group relief	<u>14,494</u>	-
Total tax charge	<u>-</u>	<u>-</u>

9. GOVERNMENT GRANTS

Government grants in the year relate entirely to the Coronavirus Jobs Retention Scheme (CJRS). Total amounts claimed under the scheme in the year were £15,352 (2019: £nil). As at the year end, there are no unfulfilled conditions in relation to this grant.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020**

10. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant & machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
COST					
At 1 April 2019	15,751,852	482,218	1,790,042	123,468	18,147,580
Additions	121,688	220,289	325,201	20,270	687,448
Disposals	-	-	(300,307)	(12,000)	(312,307)
At 31 March 2020	<u>15,873,540</u>	<u>702,507</u>	<u>1,814,936</u>	<u>131,738</u>	<u>18,522,721</u>
DEPRECIATION					
At 1 April 2019	-	136,923	851,012	104,111	1,092,046
Charge for year	-	35,126	288,266	8,288	331,680
Eliminated on disposal	-	-	(300,307)	-	(300,307)
At 31 March 2020	-	<u>172,049</u>	<u>838,971</u>	<u>112,399</u>	<u>1,123,419</u>
NET BOOK VALUE					
At 31 March 2020	<u>15,873,540</u>	<u>530,458</u>	<u>975,965</u>	<u>19,339</u>	<u>17,399,302</u>
At 31 March 2019	<u>15,751,852</u>	<u>345,295</u>	<u>939,030</u>	<u>19,357</u>	<u>17,055,534</u>

The freehold land & buildings together with the fixtures, fittings & equipment were revalued on an open market basis at £17,800,000 in July 2018 by Christie & Co, Chartered Surveyors. The freehold land & building are held at deemed cost, following the adoption of FRS102 in 2016. In the opinion of the directors, as the open market value exceeds this deemed cost, no impairment of freehold land & buildings is necessary.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures, fittings & equipment £
COST	
At 1 April 2019 and 31 March 2020	<u>59,790</u>
DEPRECIATION	
At 1 April 2019	18,220
Charge for year	8,827
At 31 March 2020	<u>27,047</u>
NET BOOK VALUE	
At 31 March 2020	<u>32,743</u>
At 31 March 2019	<u>41,570</u>

11. STOCKS

	31.3.20	31.3.19
	£	£
Goods for resale and raw materials	<u>72,601</u>	<u>80,730</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Trade debtors	56,882	117,787
Other debtors	15,352	-
VAT	68,871	17,491
Prepayments and accrued income	<u>53,082</u>	<u>106,350</u>
	<u>194,187</u>	<u>241,628</u>

A potential deferred tax asset of £69,064 (2019: £11,879) relating to unutilised trading losses and temporary timing differences has not been recognised as Tylney Hall Hotel Limited is not expected to generate a taxable profit in the foreseeable future.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Hire purchase contracts (see note 15)	17,453	18,058
Trade creditors	181,495	362,534
Social security and other taxes	37,024	46,004
Other creditors	513,174	614,244
Accrued expenses	<u>64,133</u>	<u>131,663</u>
	<u>813,279</u>	<u>1,172,503</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.20	31.3.19
	£	£
Hire purchase contracts (see note 15)	-	17,457
Amounts owed to group undertakings	<u>851,543</u>	<u>339,214</u>
	<u>851,543</u>	<u>356,671</u>

15. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.3.20	31.3.19
	£	£
Net obligations repayable:		
Within one year	17,453	18,058
Between one and five years	-	<u>17,457</u>
	<u>17,453</u>	<u>35,515</u>

16. SECURED DEBTS

There is a first legal charge over the freehold property known as Tylney Hall Hotel and a fixed charge over the book debts of the company in favour of HSBC Bank Plc. In addition the bank has a floating charge over the remainder of the company's assets.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.20	31.3.19
		£1	£	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

The Ordinary shares have full rights to vote in any circumstances, and to receive dividends and capital distributions, whether on winding up or otherwise. The shares are not redeemable.

18. RESERVES

	Retained earnings £	Share premium £	Unrealised revenue reserve £	Totals £
At 1 April 2019	2,419,678	6,999,100	6,680,837	16,099,615
Deficit for the year	(72,631)			(72,631)
At 31 March 2020	<u>2,347,047</u>	<u>6,999,100</u>	<u>6,680,837</u>	<u>16,026,984</u>

The unrealised revenue reserve relates to previous revaluations of the hotel in accordance with applicable accounting standards.

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme.

The total contributions for the year ended 31 March 2020 were £45,092 (2019: £47,266). At 31 March 2020 there were outstanding contributions of £13,108 (2019: £23,624) included within other creditors.

20. CONTINGENT LIABILITIES

The company's bankers, HSBC Bank Plc. hold unlimited cross guarantees between Tylney Hall Hotel Limited, Elite Hotels (Rotherwick) Limited and its wholly owned subsidiaries. At the balance sheet date the amount jointly guaranteed by the company was £54,950,000 (2019: £52,750,000). The directors believe that the guarantee will not be called upon, and accordingly no provision has been recognised.

21. IMMEDIATE PARENT COMPANY

The immediate parent company is Elite Hotels (Rotherwick) Limited, a company incorporated in England.

22. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is the Incorporated Trustees of the Rotherwick Foundation, a UK registered charity.

23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.