

REGISTERED NUMBER: 05445464 (England and Wales)

**Report of the Directors and
Audited Financial Statements
for the Year Ended 31 December 2018
for
Durham Vale Developments Limited**



KPMG LLP, Statutory Auditor
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Durham Vale Developments Limited

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for the Year Ended 31 December 2018**

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Durham Vale Developments Limited

**Company Information
for the Year Ended 31 December 2018**

DIRECTORS:

Mr A K Liddell
Mr S L Donkin
Ms C L Burgess

REGISTERED OFFICE:

Sandgate House
102 Quayside
Newcastle upon Tyne
Tyne and Wear
NE1 3DX

REGISTERED NUMBER:

05445464 (England and Wales)

AUDITORS:

KPMG LLP, Statutory Auditor
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Durham Vale Developments Limited

Report of the Directors for the Year Ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a hotel including a bar and restaurant.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

Mr A K Liddell
Mr S L Donkin

Other changes in directors holding office are as follows:

Mr G M Hodgson - resigned 19 June 2018

Ms C L Burgess was appointed as a director after 31 December 2018 but prior to the date of this report.

Mr I Stein ceased to be a director after 31 December 2018 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

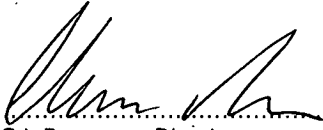
The auditors, KPMG LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Durham Valé Developments Limited

**Report of the Directors
for the Year Ended 31 December 2018**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'C L Burgess', written over a dotted line.

Ms C L Burgess - Director

Date: 27 June 2019

Report of the Independent Auditors to the Members of Durham Vale Developments Limited

Opinion

We have audited the financial statements of Durham Vale Developments Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as impairment of financial and non financial assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Report of the Independent Auditors to the Members of Durham Vale Developments Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page two, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Date: 28 June 2019

Durham Vale Developments Limited

**Profit and Loss Account and Other Comprehensive Income
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
TURNOVER	4	918,309	890,369
Cost of sales		<u>152,591</u>	<u>144,601</u>
GROSS PROFIT		765,718	745,768
Administrative expenses		<u>675,458</u>	<u>622,205</u>
OPERATING PROFIT	6	90,260	123,563
Interest receivable and similar income		<u>18</u>	<u>17</u>
		90,278	123,580
Interest payable and similar expenses	7	<u>-</u>	<u>122</u>
PROFIT BEFORE TAXATION		90,278	123,458
Tax on profit	8	<u>30,235</u>	<u>50,396</u>
PROFIT FOR THE FINANCIAL YEAR		60,043	73,062
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>60,043</u>	<u>73,062</u>

The notes form part of these financial statements

Durham Vale Developments Limited (Registered number: 05445464)

**Balance Sheet
31 December 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Intangible assets	9	-		-	
Tangible assets	10	<u>1,663,993</u>	1,663,993	<u>1,596,448</u>	1,596,448
CURRENT ASSETS					
Stocks	11	9,872		12,105	
Debtors	12	36,474		24,131	
Cash at bank and in hand		<u>40,341</u>		<u>50,899</u>	
		86,687		87,135	
CREDITORS					
Amounts falling due within one year	13	<u>1,743,555</u>		<u>1,736,330</u>	
NET CURRENT LIABILITIES			<u>(1,656,868)</u>		<u>(1,649,195)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,125		(52,747)
PROVISIONS FOR LIABILITIES	14		<u>27,238</u>		<u>27,409</u>
NET LIABILITIES			<u>(20,113)</u>		<u>(80,156)</u>
CAPITAL AND RESERVES					
Called up share capital	15		310		310
Share premium	16		687,590		687,590
Profit and loss account	16		<u>(708,013)</u>		<u>(768,056)</u>
SHAREHOLDERS' FUNDS			<u>(20,113)</u>		<u>(80,156)</u>

The financial statements were approved by the Board of Directors on 27 June 2019 and were signed on its behalf by:



 Ms C L Burgess - Director

Durham Vale Developments Limited

**Statement of Changes in Equity
for the Year Ended 31 December 2018**

	Called up share capital £	Profit and loss account £	Share premium £	Total equity £
Balance at 1 January 2017	310	(841,118)	687,590	(153,218)
Changes in equity				
Total comprehensive income	-	73,062	-	73,062
Balance at 31 December 2017	310	(768,056)	687,590	(80,156)
Changes in equity				
Total comprehensive income	-	60,043	-	60,043
Balance at 31 December 2018	310	(708,013)	687,590	(20,113)

Durham Vale Developments Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1. STATUTORY INFORMATION

Durham Vale Developments 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 presentation currency of the financial statements is the Pound Sterling (£).

The company's trading address is The Kingslodge Inn, Waddington Street, Flass Vale, Durham City, DH1 4BG.

2. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Going concern

Notwithstanding net liabilities of £20,113 as at 31 December 2018 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company is a party to group cross guarantee borrowing arrangements. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the group will have sufficient funds, through funding from the ultimate parent company, Alchemy Special Opportunities LLP, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's ultimate parent company, Alchemy Special Opportunities LLP, not seeking repayment of the amounts currently due from the group. Alchemy Special Opportunities LLP has indicated it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a 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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for bar, restaurant and accommodation sales rendered, stated net of discounts and of value added tax.

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities described below.

Accommodation:

Turnover for accommodation sales are recognised in accordance with the booking terms and conditions where the company obtains the right to receive the consideration.

Bar and restaurant sales:

Turnover from the sale of bar and restaurant goods are recognised when the significant risks and rewards of ownership of the products has transferred to the buyer. This will be at the point of sale at the till.

Durham Vale Developments Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2018

3. ACCOUNTING POLICIES - continued

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their useful economic life, using the straight line method.

The intangible assets are amortised over the following useful economic lives:

Goodwill - 3 years Straight Line

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 20% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are measured at the lower of cost and selling price less cost to complete and sell. Cost is calculated on a first in, first out basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to their present location and condition.

Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current taxation is the amount of taxation in respect of the taxable profit for the year or prior years.

A deferred taxation asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of the current and previous period.

Deferred taxation arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred taxation recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred taxation is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences. Deferred tax relating to land and buildings measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset.

Durham Vale Developments Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2018

3. ACCOUNTING POLICIES - continued

Financial instruments

The company 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 assets and financial liabilities are recognised in full in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other 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. Other financial assets classified as fair value through the statement of comprehensive income are measured at fair value.

Debtors:

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors:

Short term trade creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Derecognition of financial assets and liabilities:

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all of the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is liable to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation in the contract is discharged, cancelled or expires.

Equity instruments:

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Employee benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at salary cost payable for the period of absence.

Critical accounting estimates and judgements

In the application of the company'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.

Durham Vale Developments Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

3. ACCOUNTING POLICIES - continued

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

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

	2018	2017
	£	£
Accommodation	351,220	378,168
Bar	202,474	182,075
Restaurant	<u>364,615</u>	<u>330,126</u>
	<u><u>918,309</u></u>	<u><u>890,369</u></u>

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
United Kingdom	<u>918,309</u>	<u>890,369</u>
	<u><u>918,309</u></u>	<u><u>890,369</u></u>

5. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	307,459	302,293
Social security costs	21,084	20,549
Other pension costs	<u>3,057</u>	<u>1,620</u>
	<u><u>331,600</u></u>	<u><u>324,462</u></u>

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

	2018	2017
Management	1	1
Housekeeping, bar and restaurant staff	<u>19</u>	<u>20</u>
	<u><u>20</u></u>	<u><u>21</u></u>

	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	<u>101,153</u>	<u>81,818</u>

Auditor's remuneration is paid for the group, by the company's immediate parent, Inn Collection Bidço Limited.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Corporation tax interest	<u>-</u>	<u>122</u>

Durham Vale Developments Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
Group relief	30,105	32,642
Adjustments in respect of prior periods - group relief	<u>301</u>	<u>(8,777)</u>
Total current tax	<u>30,406</u>	<u>23,865</u>
Deferred tax:		
Origination and reversal of timing differences	895	112,372
Adjustments in respect of prior periods	<u>(1,066)</u>	<u>(85,841)</u>
Total deferred tax	<u>(171)</u>	<u>26,531</u>
Tax on profit	<u>30,235</u>	<u>50,396</u>

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:

	2018 £	2017 £
Profit before tax	<u>90,278</u>	<u>123,458</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	17,153	23,766
Effects of:		
Expenses not deductible for tax purposes	13,652	13,382
Adjustments to tax charge in respect of previous periods	(765)	(94,618)
Deferred tax not recognised	-	108,392
Difference between deferred tax rate and standard UK tax rate	<u>195</u>	<u>(526)</u>
Total tax charge	<u>30,235</u>	<u>50,396</u>

Reductions to the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability (see note 14) at 31 December 2018 has been calculated based on these rates.

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2018	
and 31 December 2018	<u>717,700</u>
AMORTISATION	
At 1 January 2018	
and 31 December 2018	<u>717,700</u>
NET BOOK VALUE	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>-</u>

Durham Vale Developments Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2018	1,200,295	292,558	847
Additions	-	99,980	-
At 31 December 2018	<u>1,200,295</u>	<u>392,538</u>	<u>847</u>
DEPRECIATION			
At 1 January 2018	40,297	54,097	847
Charge for year	24,178	6,234	-
At 31 December 2018	<u>64,475</u>	<u>60,331</u>	<u>847</u>
NET BOOK VALUE			
At 31 December 2018	<u>1,135,820</u>	<u>332,207</u>	<u>-</u>
At 31 December 2017	<u>1,159,998</u>	<u>238,461</u>	<u>-</u>
	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2018	296,884	20,313	1,810,897
Additions	67,080	1,638	168,698
At 31 December 2018	<u>363,964</u>	<u>21,951</u>	<u>1,979,595</u>
DEPRECIATION			
At 1 January 2018	110,208	9,000	214,449
Charge for year	67,658	3,083	101,153
At 31 December 2018	<u>177,866</u>	<u>12,083</u>	<u>315,602</u>
NET BOOK VALUE			
At 31 December 2018	<u>186,098</u>	<u>9,868</u>	<u>1,663,993</u>
At 31 December 2017	<u>186,676</u>	<u>11,313</u>	<u>1,596,448</u>

11. STOCKS

	2018 £	2017 £
Raw materials	<u>9,872</u>	<u>12,105</u>

Raw materials recognised in cost of sales in the year amounted to £152,591 (2017 - £144,601).

The write down of stocks to net realisable value amounted to £Nil (2017 - £Nil).

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Amounts owed by group undertakings	18,005	12,943
Other debtors	4,238	89
Prepayments and accrued income	<u>14,231</u>	<u>11,099</u>
	<u>36,474</u>	<u>24,131</u>

Durham Vale Developments Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2018

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	44,378	32,582
Amounts owed to group undertakings	1,601,372	1,617,715
Social security and other taxes	56,389	57,202
Other creditors	26,059	20,412
Accrued expenses	<u>15,357</u>	<u>8,419</u>
	<u>1,743,555</u>	<u>1,736,330</u>

14. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	<u>27,238</u>	<u>27,409</u>
		Deferred tax
		£
Balance at 1 January 2018		27,409
Credit to Profit and Loss Account and Other Comprehensive Income during year		<u>(171)</u>
Balance at 31 December 2018		<u>27,238</u>

The provision for deferred taxation is made up of accelerated capital allowances.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
310	Ordinary	£1	<u>310</u>	<u>310</u>

16. RESERVES

Profit and loss account:
Includes all current and prior period retained profit and losses.

17. ULTIMATE PARENT COMPANY

Inn Collection Bidco Limited, company number 08635387, is the company's immediate parent company. The ultimate parent company is Alchemy Partners GP Limited registered in Guernsey with company number 57891.

Vindolanda Topco Limited heads up the largest and smallest group of companies for which a consolidation is prepared containing the results of Durham Vale Developments Limited.

Copies of the financial statements for Vindolanda Topco Limited are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

18. CONTINGENT LIABILITIES

The company is subject to a cross guarantee with other group companies in respect of group borrowings. At the balance sheet date the amount outstanding, to which this guarantee relates, amounted to £8,985,343 (2017: £5,516,657). The group facilities are also secured on the assets of the company.

19. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

20. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Alchemy Partners GP Limited registered in Guernsey with company number 57891.