

T A H A S

ACCOUNTANTS & TAX ADVISORS

Registration number: 10422265

Newton Hotel Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Tahas & Co Ltd
Chartered Certified Accountants and Statutory Auditors
Suite 3, Second Floor
760 Eastern Avenue
Newbury Park
London
IG2 7HU



Newton Hotel Management Limited

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Newton Hotel Management Limited

Company Information

Directors	Mr Chidambaram Arumugam Mr Ravi Venkatraman Mr Gkevin Muthu Maran
Registered office	Belstead Brook Muthu Hotel Belstead Ipswich IP2 9HB
Auditors	Tahas & Co Ltd Chartered Certified Accountants and Statutory Auditors Suite 3, Second Floor 760 Eastern Avenue Newbury Park London IG2 7HU

Newton Hotel Management Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the company

The directors who held office during the year were as follows:

Mr Chidambaram Arumugam

Mr Ravi Venkatraman

Mr Gkevin Muthu Maran

Mr Paramasivam Sivachelvam (Resigned 12 March 2018)

Principal activity

The principal activity of the company is that of providing accommodation and leisure services in the tourism, hospitality and leisure industry.

Results

The profit for the period, after taxation, amounted to £19,726.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

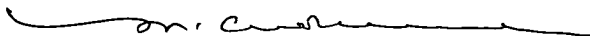
Reappointment of auditors

The auditors Tahas & Co Ltd are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

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

Approved by the Board on 16/09/19 and signed on its behalf by:



Mr Chidambaram Arumugam
Director

Newton Hotel Management Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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 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.

Newton Hotel Management Limited

Independent Auditor's Report to the Members of Newton Hotel Management Limited

Opinion

We have audited the financial statements of Newton Hotel Management Limited (the 'company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Statement of 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 FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Newton Hotel Management Limited

Independent Auditor's Report to the Members of Newton Hotel Management Limited

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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], 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 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.

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.

Newton Hotel Management Limited

Independent Auditor's Report to the Members of Newton Hotel Management Limited

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 auditor's report.



Mr M Poonawala (Senior Statutory Auditor)
For and on behalf of Tahas & Co Ltd, Statutory Auditor

Suite 3, Second Floor
760 Eastern Avenue
Newbury Park
London
IG2 7HU

Date: 16/09/19

Newton Hotel Management Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover		1,861,714	1,622,761
Cost of sales		<u>(1,013,019)</u>	<u>(854,635)</u>
Gross profit		848,695	768,126
Administrative expenses		<u>(819,120)</u>	<u>(608,608)</u>
Operating profit		<u>29,575</u>	<u>159,518</u>
Interest payable and similar expenses		<u>(9,453)</u>	<u>-</u>
		<u>(9,453)</u>	<u>-</u>
Profit before tax	5	20,122	159,518
Taxation		<u>(396)</u>	<u>(8,693)</u>
Profit for the financial year		<u><u>19,726</u></u>	<u><u>150,825</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Newton Hotel Management Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	2018	2017
	£	£
Profit for the year	<u>19,726</u>	<u>150,825</u>
Total comprehensive income for the year	<u><u>19,726</u></u>	<u><u>150,825</u></u>

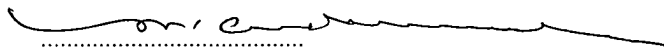
Newton Hotel Management Limited

(Registration number: 10422265)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	272,460	45,756
Current assets			
Stocks	7	13,196	19,669
Debtors	8	404,107	220,263
Cash at bank and in hand		216,699	257,396
		<u>634,002</u>	<u>497,328</u>
Creditors: Amounts falling due within one year	9	<u>(638,984)</u>	<u>(383,564)</u>
Net current (liabilities)/assets		<u>(4,982)</u>	<u>113,764</u>
Total assets less current liabilities		267,478	159,520
Creditors: Amounts falling due after more than one year	9	(87,837)	-
Provisions for liabilities		<u>(9,089)</u>	<u>(8,694)</u>
Net assets		<u>170,552</u>	<u>150,826</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		<u>170,551</u>	<u>150,825</u>
Total equity		<u>170,552</u>	<u>150,826</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 16/9/19 and signed on its behalf by:



Mr Chidambaram Arumugam
Director

Newton Hotel Management Limited

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

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	1	150,825	150,826
Profit for the year	-	19,726	19,726
Total comprehensive income	-	19,726	19,726
At 31 December 2018	1	170,551	170,552
	Share capital £	Profit and loss account £	Total £
Profit for the year	-	150,825	150,825
Total comprehensive income	-	150,825	150,825
New share capital subscribed	1	-	1
At 31 December 2017	1	150,825	150,826

Newton Hotel Management Limited

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

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Belstead Brook Muthu Hotel

Belstead

Ipswich

IP2 9HB

United Kingdom

The principal place of business is:

Muthu Newton Hotel

Inverness Road

Nairn

IV12 4RX

These financial statements were authorised for issue by the Board on 16 September 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Newton Hotel Management Limited

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax 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 difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipments	25% on reducing balance
Plant and machinery	25% on reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call 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 of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Newton Hotel Management Limited

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Newton Hotel Management Limited

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

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 48 (2017 - 45).

4 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>6,000</u>	<u>-</u>

5 Profit before tax

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	<u>63,513</u>	<u>5,142</u>

6 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2018	49,436	-	1,462	50,898
Additions	<u>3,294</u>	<u>50,765</u>	<u>236,158</u>	<u>290,217</u>
At 31 December 2018	<u>52,730</u>	<u>50,765</u>	<u>237,620</u>	<u>341,115</u>
Depreciation				
At 1 January 2018	5,111	-	31	5,142
Charge for the period	<u>11,394</u>	<u>4,560</u>	<u>47,559</u>	<u>63,513</u>
At 31 December 2018	<u>16,505</u>	<u>4,560</u>	<u>47,590</u>	<u>68,655</u>
Carrying amount				
At 31 December 2018	<u>36,225</u>	<u>46,205</u>	<u>190,030</u>	<u>272,460</u>
At 31 December 2017	<u>44,325</u>	<u>-</u>	<u>1,431</u>	<u>45,756</u>

The net book value of assets held under finance leases or hire purchase contracts, included above is £171,772 (2017 - Nil).

Newton Hotel Management Limited

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

7 Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>13,196</u>	<u>19,669</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

There were no impairment losses incurred in the period in respect of slow moving or obsolete stock.

8 Debtors

	Note	2018 £	2017 £
Trade debtors		108,718	45,658
Amounts owed by group undertakings and undertakings in which the company has a participating interest	11	275,529	155,294
Prepayments		<u>19,860</u>	<u>19,311</u>
		<u>404,107</u>	<u>220,263</u>

All amounts shown under debtors fall due for payment within one year.

The amounts due from group undertakings are unsecured and do not bear interest.

There was no impairment loss recognised in the period in respect of bad and doubtful trade debtors.

Newton Hotel Management Limited

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

9 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Net obligations under finance leases and hire purchase contracts		48,217	-
Trade creditors		105,571	51,203
Amounts owed to group undertakings and undertakings in which the company has a participating interest	11	336,437	183,671
Taxation and social security		39,764	105,437
Other creditors		108,995	43,253
		<u>638,984</u>	<u>383,564</u>
Due after one year			
Net obligations under finance leases and hire purchase contracts		<u>87,837</u>	<u>-</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Net obligations under finance leases and hire purchase contracts		<u>87,837</u>	<u>-</u>

The amount due to group undertakings are unsecured and do not bear interest.

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

10 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary of £1 each	1	1	1	1

11 Related party transactions

The company is an indirectly owned subsidiary of Magnum Global Holdings Pte Limited and has taken advantage of the exemption conferred by Section 33.1A of FRS 102 not to disclose transactions with Magnum Global Holdings Pte Limited or other wholly owned subsidiaries within the group.

Newton Hotel Management Limited

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

Directors' remuneration

The directors were remunerated through associate companies. Their remuneration in respect of this company is not separately identifiable.

12 Parent and ultimate parent undertaking

The company's immediate parent is Magnum UK Hotels Pte Limited, incorporated in Singapore.

The ultimate parent is Magnum Global Holdings Pte Limited, incorporated in Singapore.

The smallest and largest group in which the results of the company are consolidated is headed by Magnum Global Holdings Pte Limited, incorporated in Singapore. The consolidated accounts of this company are available from the company's registered office.

Magnum Global Holdings Pte Limited is controlled by Mr Nesamanimaran Muthu.