

Parent Company  
Accounts of

Company Registration No. 07161009 (England and Wales)

Lineage Leisure  
Limited

Company No: 04403563

**DECKERS HOSPITALITY GROUP LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2015**

THURSDAY



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# DECKERS HOSPITALITY GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C Brierley M Brierley A Waller
<b>Secretary</b>	V Cosgrove
<b>Company number</b>	07161009
<b>Registered office</b>	Unit F Royal Pennine Trading Estate Lynroyle Way Rochdale OL11 3EX
<b>Registered auditors</b>	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
<b>Bankers</b>	HSBC Bank PLC 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Solicitors</b>	Gunnercooke LLP 53 King Street Manchester M2 4LQ

# **DECKERS HOSPITALITY GROUP LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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The directors present the strategic report and financial statements for the year ended 30 September 2015

#### **Review of the business**

The directors are pleased with the ongoing trading performance of the group with sales up 7% when comparing like for like periods. This sales increase is mainly driven by the drinks wholesale division and the Royal Toby Hotel.

Gross profit margins have reduced by 0.5% due to the increased proportion of wholesale to retail sales. The directors are pleased that despite the challenging market pressures within the drinks industry the gross margin has been maintained. The wholesale drinks division has diversified its product range to include niche and craft products to defend the pressure on margins.

The group generated EBITDA of £666,113 (2014: £1,336,000, a 18 month period). This was impacted by the considerable investment into the group at two of the retail sites as part of the 5 year strategic plan. During the period Pennine Manor had a restyle to a modern country house hotel and joined the Best Western Group during February 2015.

The Royal Toby had the relaunch of the Italian restaurant re-named to Cenetta. Customer feedback has been positive on the changes and supported by the growing sales at the Royal Toby Hotel.

Net assets have increased to £6,128,000 (2014: £5,936,000).

#### **Future Developments**

Within the retail estate of hotels and restaurants the directors are concentrating on providing a quality experience in line with the group's philosophy of Proud Produce, Places & People. Margins are being continually reviewed with the increased pressures of the minimum wage and national living wage. The group is forecasting the impact of these growing costs and working closely with buying groups to control margins.

The wholesale division is driving to exceed customer expectations and maintain this high level of service. As part of this approach Deckers is developing clear routes to market for brand owners and national distributors. The directors are working to defend margins whilst trying to grow sales through an expanding geographical distribution area.

Deckers Restaurants Ltd has applied for approval under the new Alcohol Wholesaler Registration scheme ALDA 79 88C(1) and the directors are following HMRC guidance to comply with the new legislation.

# DECKERS HOSPITALITY GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### Principal Risks and Uncertainties

The directors consider the principal risks and uncertainties facing the group to be financial, liquidity, credit and legislative

### Financial Risks

The directors monitor the interest rate closely. The group has previously used interest rate hedges and may in the future, if the directors consider it necessary to reduce the uncertainty

### Liquidity Risks

The group aims to mitigate liquidity risk by managing cash generation by its operations

Investment is carefully monitored, with authorisation limits operating up to Board level. The approval procedures apply to all capital items. The method of funding to be used is dictated in each case by cash flow implications

The subsidiaries participate in the group's centralised treasury arrangements and so share banking arrangements with the parent and fellow subsidiaries

### Credit Risks

Debtors represent a significant level of the group's financial assets. Levels of credit are carefully monitored and reviewed by the directors

The group manages its credit risk through credit insurance for the substantial part of the debt contained within the group

### Legislative Risks


The group is subject to Health, Hygiene & Safety legislation which are constantly reviewed. Compliance imposes costs and failure to comply with these standards could result in the business being unable to operate. The group has a Health & Safety policy and promotes the culture of a safe working environment. All employees are included in the internal training programme

Employee legislation is subject to continuous revision and any new Directive may have a material impact on the ability of the group to operate profitably

### Key performance indicators

The Group uses a number of key performance indicators in assessing and driving performance. The key financial and non-financial indicators used by the group are sales, spend per head, gross margin, wages as a percentage of sales and customer feedback

On behalf of the board



C Brierley  
Director  
22/6/16

# DECKERS HOSPITALITY GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

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The directors present their report and financial statements for the year ended 30 September 2015

#### Principal activities

The principal activity of the group during the period was that of restaurateur, hotelier and drinks wholesaler

The principal activity of the company was that of a holding company

#### Results and dividends

The group's trading profit for the year, after taxation was £190,530 (Period from 1 April 2013 to 30 September 2014 profit £557,540)

Particulars of dividends paid are detailed in note 10 to the financial statements

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows

C Brierley

M Brierley

A Waller

(Appointed 4 January 2016)

#### Auditors

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

#### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information

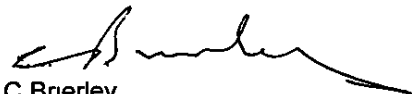
#### Strategic report

The group has not disclosed the following sections of the directors' report "Business review, Future developments, Key performance indicators and Principal risks and uncertainties" as these have been included within the Strategic Report

#### Post Balance Sheet Event

On the 15 March 2016 The company reduced its share capital from 271,999 to 26,999 £1 ordinary shares by cancelling and extinguishing 245,000 £1 ordinary shares and returning the capital to its shareholders

On behalf of the board



C Brierley

Director

23/6/16

# **DECKERS HOSPITALITY GROUP LIMITED**

## **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DECKERS HOSPITALITY GROUP LIMITED**

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We have audited the group and parent company financial statements ("the financial statements") on pages 6 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 September 2015 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

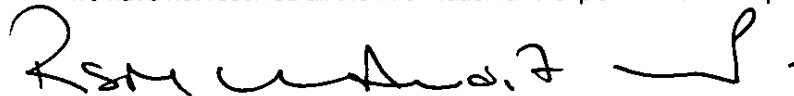
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

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



Geoff Wightwick BA FCA (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

29/6/16

# DECKERS HOSPITALITY GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2015

		2015	Period from 1 April 2013 to 30 Sept 2014
	Notes	£	£
Turnover	2	38,401,953	54,011,978
Cost of sales		(32,689,052)	(45,686,358)
<b>Gross profit</b>		<b>5,712,901</b>	<b>8,325,620</b>
Distribution costs		(3,260,698)	(4,426,406)
Administrative expenses		(2,101,880)	(3,308,587)
Other operating income		66,974	387,610
<b>Operating profit</b>		<b>417,297</b>	<b>978,237</b>
Investment income	5	-	1
Interest payable and similar charges	6	(201,714)	(315,014)
<b>Profit on ordinary activities before taxation</b>	<b>7</b>	<b>215,583</b>	<b>663,224</b>
Tax on profit on ordinary activities	8	(25,053)	(105,684)
<b>Profit on ordinary activities after taxation</b>	<b>20</b>	<b>190,530</b>	<b>557,540</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# DECKERS HOSPITALITY GROUP LIMITED

## BALANCE SHEETS

AS AT 30 SEPTEMBER 2015

	Notes	Group 2015 Period from 1 April 2013 to 30 Sept 2014		Company 2015 Period from 1 April 2013 to 30 Sept 2014	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11	206,543	206,543	-	-
Tangible assets	12	10,807,948	10,730,328	55,746	44,729
Investments	13	-	-	272,004	272,004
		<u>11,014,491</u>	<u>10,936,871</u>	<u>327,750</u>	<u>316,733</u>
<b>Current assets</b>					
Stocks	14	2,278,553	1,743,352	-	-
Debtors	15	3,333,870	3,909,174	9,031,342	9,171,441
Cash at bank and in hand		2,802,317	2,631,027	80,702	114,867
		<u>8,414,740</u>	<u>8,283,553</u>	<u>9,112,044</u>	<u>9,286,308</u>
<b>Creditors: amounts falling due within one year</b>	16	(7,584,258)	(7,224,772)	(2,707,448)	(2,304,719)
<b>Net current assets</b>		<u>830,482</u>	<u>1,058,781</u>	<u>6,404,596</u>	<u>6,981,589</u>
<b>Total assets less current liabilities</b>		<u>11,844,973</u>	<u>11,995,652</u>	<u>6,732,346</u>	<u>7,298,322</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(5,296,921)	(5,656,177)	(5,263,172)	(5,619,043)
<b>Provisions for liabilities</b>	18	(58,498)	(62,657)		
Deferred tax liability		(361,850)	(340,644)	(6,761)	(3,232)
<b>Net assets</b>		<u>6,127,704</u>	<u>5,936,174</u>	<u>1,462,413</u>	<u>1,676,047</u>
<b>Capital and reserves</b>					
Called up share capital	19	271,999	271,999	271,999	271,999
Revaluation reserve	20	2,066,275	2,066,275	-	-
Other reserves	20	34,000	34,000	-	-
Profit and loss account	20	3,755,430	3,563,900	1,190,414	1,404,048
<b>Shareholders' funds</b>	21	<u>6,127,704</u>	<u>5,936,174</u>	<u>1,462,413</u>	<u>1,676,047</u>

The financial statements on pages 6 to 28 were approved by the Board of Directors and authorised for issue on 23/11/16 and are signed on its behalf by



C Brierley  
Director

# DECKERS HOSPITALITY GROUP LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2015

		2015 Period from 1 April 2013 to 30 Sept 2014	
	Notes	£	£
Net cash inflow from operating activities	22	1,361,443	1,228,425
Returns from investment and servicing of finance	22	(201,714)	(315,014)
Taxation		(137,284)	(398)
Capital expenditure and financial investment	22	(305,662)	(145,713)
Equity dividends		-	(100,640)
Cash inflow before management of liquid resources and financing		716,783	666,660
Financing	22	(546,491)	(278,124)
<b>Increase in cash in the year</b>		<b>170,292</b>	<b>388,536</b>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

<b>Increase in cash in the year</b>		170,292	388,536
Net cash inflow from movement in debt and lease financing		546,491	278,010
Change in net debt resulting from cash flows		716,783	666,546
New finance leases		(16,719)	(65,000)
<b>Movement in net debt in the year</b>		<b>700,064</b>	<b>601,546</b>
Opening net debt		(5,176,739)	(5,778,285)
Closing net debt	22	(4,476,675)	(5,176,739)

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 1 Accounting policies

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards

#### **Going concern**

Following a review of the group's forecasts and projections, the directors consider there are no material uncertainties that may cast significant doubt over the group's and company's ability to continue as a going concern

The group is funded centrally and going concern is assessed as a group with the individual subsidiary performances supported by Deckers Hospitality Group. The directors consider the funding facilities in place appropriate to meet the medium to long term strategy outlined by the directors

The group's directors have a reasonable expectation that the group and company have adequate resources and forecast performance to continue in operational existence for the foreseeable future. The going concern basis of accounting has been used in preparing the financial statements

#### **Basis of consolidation**

The consolidated financial statements merge the financial statements of those undertakings which are owned by the shareholders of Deckers Hospitality Group Limited following the group reorganisation as if they had always so been owned. Accordingly, in those years when mergers take place, in the group accounts the whole of the results, assets, liabilities and shareholders' funds of the merged companies are consolidated, regardless of the actual merger date, and corresponding figures for previous years are restated

Subsequent to the group reorganisation, subsidiaries acquired during the period are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred

All financial statements are made up to 30 September 2015

No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006

#### **Turnover**

Turnover is stated net of VAT and relates to services provided at restaurants and hotels, and liquor trading. Turnover is recognised at the fair value of the consideration received or receivable for sale of goods or services provided in the ordinary nature of the business and recognised when goods are sold or services provided to customers

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 1 Accounting policies (Continued)

#### Goodwill

Goodwill representing the excess of the consideration for an acquired undertaking, or acquired trade and assets, compared with the fair value of net assets acquired is capitalised and written off evenly over the period which the goodwill is expected to give rise to economic benefits

Previously acquired goodwill has been written off over 20 years and was reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicated that the carrying value may not be recoverable

Goodwill acquired during 2013 is expected to have an indefinite useful life as in the view of the directors the durability of the acquired business can be demonstrated and justifies estimating the useful economic life to exceed 20 years and the goodwill is capable of continued measurement. Goodwill is reviewed for impairment at the end of each financial year. The departure from the Companies Act 2006 is, in the opinion of the directors, necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards

#### Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Freehold property and improvements	2% straight line
Leasehold land and buildings	Over the duration of the lease
Furniture, fixtures and fittings	On straight line basis over estimated useful life ranging from 5 to 20 years
Motor vehicles	On straight line basis over 4 years

Depreciation is not charged in respect of freehold buildings and improvements on the basis that depreciation is immaterial because of long useful lives. This is due to the group having a policy and practice of regular maintenance and repairs (which is charged to the profit and loss account) such that the previously assessed standard of performance is maintained. The departure from the Companies Act 2006 is, in the opinion of the directors, necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards

Freehold buildings and improvements are reviewed for impairment at end of each reporting period. The carrying values of other tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 1 Accounting policies (Continued)

#### **Leasing and hire purchase commitments**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, on a first in first out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### **Pensions**

The company contributes to a personal pension scheme for one of its directors, senior employees and other members of staff. Contributions are charged to the profit and loss account as they fall due.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

Provision is made for tax on gains arising from the revaluation of fixed assets and gains on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 1 Accounting policies (Continued)

#### Financial instruments

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 3 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2015 Number	Period from 1 April 2013 to 30 Sept 2014 Number
Administration	16	16
Bar and restaurant staff	213	226
	<u>229</u>	<u>242</u>

#### Employment costs

	2015 £	Period from 1 April 2013 to 30 Sept 2014 £
Wages and salaries	3,083,256	4,282,477
Social security costs	217,024	303,038
Other pension costs	6,811	-
	<u>3,307,091</u>	<u>4,585,515</u>

The average number of employees during the period expressed as full-time equivalents was as follows

Administration 16 (2014 - 16)

Bar and restaurant staff 176 (2014 - 191)

### 4 Directors' remuneration

	2015 £	Period from 1 April 2013 to 30 Sept 2014 £
Remuneration for qualifying services	<u>105,767</u>	<u>158,100</u>

No directors had benefits accruing under a money purchase pension scheme (2014 - £Nil) No director received nor exercised any share options during the period No director receives remuneration or benefits under a long term incentive scheme

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

5	Investment income	2015	Period from 1
		£	April 2013 to 30 Sept 2014 £
	Profit on disposal of investments	-	1
		-	1
6	Interest payable and similar charges	2015	Period from 1
		£	April 2013 to 30 Sept 2014 £
	On bank loans and overdrafts	198,097	313,825
	Hire purchase interest	3,617	1,189
		201,714	315,014
7	Profit on ordinary activities before taxation	2015	Period from 1
		£	April 2013 to 30 Sept 2014 £
	Profit on ordinary activities before taxation is stated after charging/ (crediting)		
	Amortisation of intangible assets	-	101,118
	Depreciation of tangible fixed assets		
	- owned	230,977	340,893
	- held under finance leases and hire purchase contracts	16,839	17,000
	(Profit)/loss on disposal of tangible assets	(3,054)	82,921
	Operating lease rentals		
	- Plant and machinery	9,814	6,714
	- Other assets	71,764	101,291
	Audit of the financial statements	10,000	10,000
	Non audit services	22,000	22,000



# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

8	Tax on profit on ordinary activities	2015 £	Period from 1 April 2013 to 30 Sept 2014 £
	<b>Current tax</b>		
	U K corporation tax	26,907	138,884
	Adjustment in respect of prior years	(22,853)	-
	<b>Total current tax</b>	<u>4,054</u>	<u>138,884</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	21,259	(33,200)
	Deferred tax adjustments arising in previous periods	(260)	-
	<b>Total deferred tax</b>	<u>20,999</u>	<u>(33,200)</u>
	<b>Total tax on profit on ordinary activities</b>	<u>25,053</u>	<u>105,684</u>
	<b>Factors affecting the tax charge for the year</b>		
	The tax assessed for the year is lower than the standard rate of corporation tax of 20.00% (Period from 1 April 2013 to 30 Sept 2014 - 21.00%). The differences are explained below		
	Profit on ordinary activities before taxation	<u>215,583</u>	<u>663,224</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (Period from 1 April 2013 to 30 Sept 2014 - 21%)	<u>43,117</u>	<u>139,277</u>
	Effects of		
	Expenses not deductible for tax purposes	1,993	32,742
	Capital allowances in excess of depreciation	(18,740)	(13,032)
	Group relief claimed	3,282	-
	Adjustments in respect of previous periods	(22,853)	-
	Tax charged at different rates	(3,045)	5,576
	Utilisation of losses	-	(24,279)
	Other tax adjustments	100	(1,400)
		<u>(39,263)</u>	<u>909</u>
	<b>Current tax charge for the year</b>	<u>3,854</u>	<u>138,884</u>
	<b>Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.</b>	<u>200</u>	<u>-</u>

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

<b>8</b>	<b>Tax on profit on ordinary activities</b>	<b>2015</b>	<b>Period from 1 April 2013 to 30 Sept 2014</b>
			<b>(Continued)</b>

### Factors affecting future tax charges

The group has a deferred tax liability of £361k (2014 - £341k) which has been fully provided

The main rate of corporation tax has been reduced from 21% to 20% in 2015/16. This will be further reduced to 19% for financial years starting on 1 April 2017 and then to 18% from 1 April 2020, thus aligning the main company rate and the small company rate. These reductions were substantively enacted on 26 October 2015.

<b>9</b>	<b>(Loss)/profit attributable to members of the parent company</b>	<b>2015</b>	<b>Period from 1 April 2013 to 30 Sept 2014</b>
		<b>£</b>	<b>£</b>
	Dealt with in the financial statements of the parent company	(213,634)	1,160,420

<b>10</b>	<b>Dividends</b>	<b>2015</b>	<b>Period from 1 April 2013 to 30 Sept 2014</b>
		<b>£</b>	<b>£</b>
	Final dividends paid on ordinary shares	-	100,640

<b>11</b>	<b>Intangible fixed assets</b>	
	<b>Group</b>	<b>Goodwill</b>
		<b>£</b>
	<b>Cost or valuation</b>	
	At 1 October 2014 & at 30 September 2015	346,543
	<b>Amortisation</b>	
	At 1 October 2014 & at 30 September 2015	140,000
	<b>Net book value</b>	
	At 30 September 2015	206,543
	At 30 September 2014	206,543

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 12 Tangible fixed assets

Group	Freehold property and improvements £	Leasehold land and buildings £	Furniture, land and fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 October 2014	8,961,609	1,596,465	4,601,758	101,668	15,261,500
Additions	49,728	-	244,843	38,029	332,600
Disposals	-	-	-	(35,600)	(35,600)
At 30 September 2015	9,011,337	1,596,465	4,846,601	104,097	15,558,500
<b>Depreciation</b>					
At 1 October 2014	87,374	539,340	3,850,413	54,045	4,531,172
On disposals	-	-	-	(28,435)	(28,435)
Charge for the year	-	26,661	203,373	17,781	247,815
At 30 September 2015	87,374	566,001	4,053,786	43,391	4,750,552
<b>Net book value</b>					
At 30 September 2015	8,923,963	1,030,464	792,815	60,706	10,807,948
At 30 September 2014	8,874,235	1,057,125	751,346	47,623	10,730,328

The group has not depreciated freehold property and improvements on the grounds that depreciation is insignificant given the long useful lives of the buildings

The freehold property and improvements were professionally valued on a continuing use basis, in accordance with Royal Institution of Chartered Surveyors Valuation Standards 7th Edition ("The Red Book"), as at 25 January 2013 by CBRE Limited, Chartered Surveyors

Freehold property is revalued every 5 years, with an interim valuation in year 3

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 12 Tangible fixed assets (Continued)

Comparable historical cost for tangible fixed assets included at valuation:

	Freehold property and improvements
	£
At cost	7,656,713
Aggregate depreciation	-
<b>Net book value</b>	
At 30 September 2015	7,656,713
At 30 September 2014	7,652,695

Included above are assets held under finance leases or hire purchase contracts as follows

	Computers	Motor vehicles	Total
	£	£	£
<b>Net book values</b>			
At 30 September 2015	26,934	27,843	54,777
At 30 September 2014	-	50,000	50,000
<b>Depreciation charge for the year</b>			
At 30 September 2015	8,735	8,104	16,839
At 30 September 2014	-	17,000	17,000

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 12 Tangible fixed assets (Continued)

#### Tangible fixed assets

##### Company

	Furniture, fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 October 2014	324,752	42,323	367,075
Additions	13,360	16,850	30,210
Disposals	-	(14,000)	(14,000)
At 30 September 2015	338,112	45,173	383,285
<b>Depreciation</b>			
At 1 October 2014	301,973	20,373	322,346
On disposals	-	(10,650)	(10,650)
Charge for the year	8,720	7,123	15,843
At 30 September 2015	310,693	16,846	327,539
<b>Net book value</b>			
At 30 September 2015	27,419	28,327	55,746
At 30 September 2014	22,780	21,950	44,729

### 13 Fixed asset investments

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 October 2014 & at 30 September 2015	272,004
<b>Net book value</b>	
At 30 September 2015	272,004
At 30 September 2014	272,004

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 13 Fixed asset investments (Continued)

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Deckers Restaurants Limited	England and Wales	Ordinary	100 00
Sale Water Park Restaurants Limited	England and Wales	Ordinary	100 00
The Crimble Limited	England and Wales	Ordinary	100 00
The Royal Toby Hotel (Castleton) Limited	England and Wales	Ordinary	100 00
Pennine Manor Hotel Limited	England and Wales	Ordinary	100 00
Deckers Group Limited	England and Wales	Ordinary	100 00
Limelight Leisure Limited*	England and Wales	Ordinary	100 00

The principal activity of these undertakings for the last relevant financial year was as follows

	<b>Principal activity</b>
Deckers Restaurants Limited	Liquor wholesaler and butchery
Sale Water Park Restaurants Limited	Restaurateur
The Crimble Limited	Restaurateur
The Royal Toby Hotel (Castleton) Limited	Restaurateur
Pennine Manor Hotel Limited	Restaurateur
Deckers Group Limited	Dormant
Limelight Leisure Limited*	Dormant

\*This investment is held via Deckers Restaurants Limited

### 14 Stocks

	Group		Company	
	2015 Period from 1 April 2013 to 30 Sept 2014		2015	Period from 1 April 2013 to 30 Sept 2014
	£	£	£	£
Cutlery and crockery stock	111,843	126,000	-	-
Food and bar stocks	2,166,710	1,617,352	-	-
	<u>2,278,553</u>	<u>1,743,352</u>	<u>-</u>	<u>-</u>

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 15 Debtors

	Group		Company	
	2015 Period from 1 April 2013 to 30 Sept 2014		2015 Period from 1 April 2013 to 30 Sept 2014	
	£	£	£	£
Trade debtors	2,743,060	3,424,662	-	-
Amounts owed by group undertakings	-	-	8,874,092	9,031,990
Other debtors	268,120	74,963	68,204	74,953
Prepayments and accrued income	322,690	409,549	89,046	64,498
	<u>3,333,870</u>	<u>3,909,174</u>	<u>9,031,342</u>	<u>9,171,441</u>

### 16 Creditors . amounts falling due within one year

	Group		Company	
	2015 Period from 1 April 2013 to 30 Sept 2014		2015 Period from 1 April 2013 to 30 Sept 2014	
	£	£	£	£
Bank loans and overdrafts	1,966,071	2,138,732	355,768	344,768
Net obligations under finance lease and hire purchase contracts	15,001	12,857	-	-
Trade creditors	4,312,628	3,802,279	408,447	429,443
Amounts owed to group undertakings	-	-	1,818,252	1,391,469
Corporation tax	26,812	160,249	(95)	(95)
Taxation and social security costs	396,259	511,657	10,388	11,588
Other creditors	312,220	228,122	7,803	10,889
Accruals and deferred income	555,267	370,876	106,885	116,657
	<u>7,584,258</u>	<u>7,224,772</u>	<u>2,707,448</u>	<u>2,304,719</u>

Included within bank loans and overdrafts at the year end was £1,610,303 (2014 - £1,793,963) regarding an invoice discounting facility with HSBC Equipment Finance (UK) Ltd and HSBC Asset Finance (UK) Ltd which was secured by a charge dated 30 November 2015 over the book debts of Deckers Restaurants Limited

A composite company guarantee dated 2 May 2013 in favour of HSBC Bank plc also exists. The guarantee was given by Deckers Hospitality Group Limited, Deckers Restaurants Limited, Pennine Manor Hotel Limited, Sale Waterpark Restaurant Limited, The Crimble Limited and the Royal Toby Hotel (Castleton) Limited

Deckers Restaurants Limited has a legal assignment of contract monies in favour of HSBC Bank plc dated 2 September 2013

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 17 Creditors : amounts falling due after more than one year

	Group		Company	
	2015	Period from 1	2015	Period from 1
		April 2013 to		April 2013 to
		30 Sept 2014		30 Sept 2014
	£	£	£	£
Bank loans	5,263,172	5,619,043	5,263,172	5,619,043
Net obligations under finance leases and hire purchase agreements	33,749	37,134	-	-
	<u>5,296,921</u>	<u>5,656,177</u>	<u>5,263,172</u>	<u>5,619,043</u>
<b>Analysis of loans</b>				
Wholly repayable within five years	7,229,243	7,757,774	5,618,940	5,963,811
Included in current liabilities	(1,966,071)	(2,138,731)	(355,768)	(344,768)
	<u>5,263,172</u>	<u>5,619,043</u>	<u>5,263,172</u>	<u>5,619,043</u>
<b>Debt maturity analysis</b>				
Amounts payable				
In more than one year but not more than two years	355,768	344,768	-	-
In more than two years but not more than five years	1,551,462	1,500,000	-	-
In more than five years	3,711,710	4,119,043	-	-
	<u>5,618,940</u>	<u>5,963,811</u>	<u>5,618,940</u>	<u>5,963,811</u>

At 30 September 2015, the group's and company's bank loans are repayable by equal monthly instalments until 2028. The bank loan is secured by a debenture including a fixed and floating charge over all present freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital dated 3 May 2013.

#### Net obligations under finance leases and hire purchase contracts

Amounts payable				
Within one year	15,001	12,857	-	-
Within two to five years	33,749	37,134	-	-
	<u>48,750</u>	<u>49,991</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(15,001)	(12,857)	-	-
	<u>33,749</u>	<u>37,134</u>	<u>-</u>	<u>-</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.



# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 18 Provisions for liabilities Group

	Deferred tax liability	Provision For Dilapidations	Total
	£	£	£
Balance at 1 October 2014	340,644	62,657	403,301
Profit and loss account	21,206	(4,159)	17,047
Balance at 30 September 2015	<u>361,850</u>	<u>58,498</u>	<u>420,348</u>

### Company

Balance at 1 October 2014	3,232	-	3,232
Profit and loss account	3,529	-	3,529
Balance at 30 September 2015	<u>6,761</u>	<u>-</u>	<u>6,761</u>

### Other provisions

The provision of £58,498 (2014 - £62,657) was for the expected cost of dilapidations to be paid in respect of leases that have expired

The deferred tax liability is made up as follows:

	Group		Company	
	2015 Period from 1 April 2013 to 30 Sept 2014		2015 Period from 1 April 2013 to 30 Sept 2014	
	£	£	£	£
Accelerated capital allowances	369,833	348,627	8,069	4,540
Tax losses available	(7,983)	(7,983)	(1,308)	(1,308)
	<u>361,850</u>	<u>340,644</u>	<u>6,761</u>	<u>3,232</u>

No provision has been made for deferred tax gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. At present it is not envisaged that any tax will become payable in the foreseeable future.

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 19 Share capital

2015 Period from 1  
April 2013 to  
30 Sept 2014  
£ £

#### Allotted, called up and fully paid

271,999 Ordinary shares of £1 each

271,999

271,999

#### Post Balance Sheet Event

On the 15 March 2016 The company reduced its share capital from 271,999 to 26,999 £1 ordinary shares by cancelling and extinguishing 245,000 £1 ordinary shares and returning the capital to its shareholders

### 20 Reserves Group

Revaluation  
reserve  
£  
Other  
reserves  
(see below)  
£  
Profit  
and loss  
account  
£

Balance at 1 October 2014

2,066,275

34,000

3,564,900

Profit for the year

-

-

190,530

Balance at 30 September 2015

2,066,275

34,000

3,755,430

#### Other reserves

##### Reserves for own shares

Balance at 1 October 2014 & at 30 September 2015

34,000

### Company

Profit  
and loss  
account  
£

Balance at 1 October 2014

1,404,048

Loss for the year

(213,634)

Balance at 30 September 2015

1,190,414

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 21 Reconciliation of movements in shareholders' funds

Group	2015 £	Period from 1 April 2013 to 30 Sept 2014 £
Profit for the financial year	190,530	557,540
Dividends	-	(100,640)
Net addition to shareholders' funds	190,530	456,900
Opening shareholders' funds	5,936,174	5,479,274
Closing shareholders' funds	6,127,704	5,936,174

Company	2015 £	Period from 1 April 2013 to 30 Sept 2014 £
(Loss)/Profit for the financial year	(213,634)	1,160,420
Dividends	-	(100,640)
Net (depletion in)/addition to shareholders' funds	(213,634)	1,059,780
Opening shareholders' funds	1,676,047	616,267
Closing shareholders' funds	1,462,413	1,676,047

### 22 Notes to the cash flow statement

#### Reconciliation of operating profit to net cash inflow from operating activities

	2015 £	Period from 1 April 2013 to 30 Sept 2014 £
Operating profit	417,297	978,237
Depreciation of tangible assets	247,816	357,893
Amortisation of intangible assets	-	101,118
(Profit)/loss on disposal of tangible assets	(3,054)	82,921
Decrease/(increase) in stocks	(535,201)	(90,861)
Decrease in debtors	575,304	(1,519,159)
Increase in creditors	663,440	1,339,437
Provisions movement	(4,159)	(21,161)
Net cash inflow from operating activities	1,361,443	1,228,425

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 22 Notes to the cash flow statement (Continued)

#### Analysis of cash flows for headings netted in the cash flow statement

	2015 £	Period from 1 April 2013 to 30 Sept 2014 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(198,097)	(313,825)
Interest element of finance lease payments	(3,617)	(1,189)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>(201,714)</u>	<u>(315,014)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible assets	(315,881)	(154,465)
Receipts from sale of tangible assets	10,219	8,752
Receipts from sale of other investments (including repayment of loans made)	-	292,868
<b>Net cash (outflow)/inflow from capital expenditure &amp; financial investment</b>	<u>(305,662)</u>	<u>147,155</u>
<b>Financing</b>		
New long term loans	-	5,619,043
Repayments of long term loans	(355,871)	-
New short term loans	11,000	-
Repayment of short term loans	(183,660)	(5,879,167)
Capital element of finance lease rental payments	(17,960)	(18,000)
<b>Net cash outflow from financing</b>	<u>(546,491)</u>	<u>(278,124)</u>

#### Analysis of net debt

	1 October 2014 £	Cash flow £	Other non- cash changes £	30 September 2015 £
Net cash				
Cash at bank and in hand	2,631,027	171,290	-	2,802,317
Finance leases	(49,991)	17,960	(16,719)	(48,750)
Debts falling due within one year	(2,138,731)	172,660	-	(1,966,071)
Debts falling due after one year	(5,619,043)	355,871	-	(5,263,172)
<b>Net debt</b>	<u>(5,176,739)</u>	<u>717,782</u>	<u>(16,719)</u>	<u>(4,475,676)</u>

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 23 Commitments under operating leases

At 30 September 2015 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2015	Period from 1 April 2013 to 30 Sept 2014	2015	Period from 1 April 2013 to 30 Sept 2014
	£	£	£	£
Expiry date				
Within one year	18,673	-	-	891
Between two and five years	40,495	77,841	3,792	-
	<u>59,168</u>	<u>77,841</u>	<u>3,792</u>	<u>891</u>

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2015	Period from 1 April 2013 to 30 Sept 2014	2015	Period from 1 April 2013 to 30 Sept 2014
	£	£	£	£
Expiry date				
Between two and five years	-	-	3,792	-
	<u>-</u>	<u>-</u>	<u>3,792</u>	<u>-</u>

### 24 Retirement Benefits

	2015	Period from 1 April 2013 to 30 Sept 2014
	£	£
Contributions payable by the group for the year	<u>6,811</u>	<u>-</u>

### 25 Related party relationships and transactions

#### Group

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking

### 26 Control

The ultimate controlling party is a director, Mr C Brierley Deckers Hospitality Group Limited is the parent company of the largest and smallest group for which group accounts are prepared

# DECKERS HOSPITALITY GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 27 Duty guarantee

Deckers Hospitality Group Limited has a guarantee dated 19 July 2013 in favour of HMRC Central Deferment Office for £200,000 (2014 - £200,000)

### 28 Parent guarantee

Deckers Hospitality Group Limited has given a guarantee under Section 479C of the Companies Act 2006. The following subsidiaries, included in these consolidated accounts, are therefore, exempt from the requirements of this Act relating to the audit of individual accounts by virtue of section 479A

Sale Water Park Restaurant Limited  
The Crimble Limited  
The Royal Toby Hotel (Castleton) Limited  
Pennine Manor Hotel Limited  
Limelight Leisure Limited ✓