

Pennine Manor Hotel Limited

FINANCIAL STATEMENTS

for the period ended

2 April 2012

SATURDAY



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COMPANIES HOUSE

Pennine Manor Hotel Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Brierley
M Brierley

SECRETARY

A Owen

REGISTERED OFFICE

Unit F
Royal Pennine Trading Estate
Lynroyle Way
Rochdale
OL11 3EX

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

BANKERS

Lloyds TSB Bank Plc
PO Box 358
53 King Street
Manchester
M60 2ES

SOLICITORS

SNG Commercial Law
19 Spring Gardens
Manchester
M2 1FB

Pennine Manor Hotel Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Pennine Manor Hotel Limited for the period from 1 April 2011 to 2 April 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of restaurateur and hotelier

DIRECTORS

The directors who served the company during the period were as follows

C Brierley
M Brierley

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office


SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

On behalf of the board

C Brierley

Director



22 10 2012

Pennine Manor Hotel Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing 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 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PENNINE MANOR HOTEL LIMITED

We have audited the financial statements on pages 5 to 13 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 member, 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 member 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 member 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 3, 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 APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 2 April 2012 and of its loss for the period 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

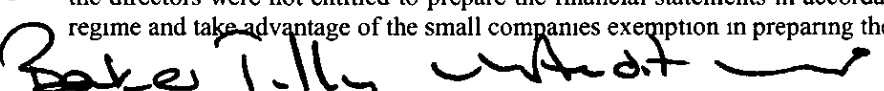
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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, 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 exemption in preparing the directors' report


GEOFF WIGHTWICK BA FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

26 October 2012

Pennine Manor Hotel Limited
PROFIT AND LOSS ACCOUNT
for the period from 1 April 2011 to 2 April 2012

		Period from 1 Apr 11 to 2 Apr 12 £	Year to 31 Mar 11 £
	<i>Notes</i>		
TURNOVER		744,480	709,191
Cost of sales		(187,197)	(181,178)
Gross profit		557,283	528,013
Distribution costs		(358,527)	(352,982)
Administrative expenses		(362,320)	(300,843)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(163,564)	(125,812)
Taxation	2	6,790	(4,511)
LOSS FOR THE FINANCIAL PERIOD	11	(156,774)	(130,323)

The loss for the period arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Pennine Manor Hotel Limited

BALANCE SHEET

2 April 2012

	Notes	2 Apr 12 £	31 Mar 11 £
FIXED ASSETS			
Intangible assets	3	—	78,168
Tangible assets	4	1,995,357	2,009,641
		<u>1,995,357</u>	<u>2,087,809</u>
CURRENT ASSETS			
Stocks		22,741	23,741
Debtors	5	23,971	20,637
Cash at bank and in hand		11,951	17,487
		<u>58,663</u>	<u>61,865</u>
CREDITORS			
Amounts falling due within one year	6	(2,323,986)	(2,256,076)
NET CURRENT LIABILITIES		<u>(2,265,323)</u>	<u>(2,194,211)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(269,966)</u>	<u>(106,402)</u>
PROVISIONS FOR LIABILITIES	7	(17,130)	(23,920)
		<u>(287,096)</u>	<u>(130,322)</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	(287,097)	(130,323)
DEFICIT	12	<u>(287,096)</u>	<u>(130,322)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on 22 10 2012 and are signed on their behalf by

C Brierley
Director



Pennine Manor Hotel Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

GOING CONCERN

The company is part of a group headed by Deckers Hospitality Group Limited (the "group") Following a review of the group's forecasts and projections, the directors consider there are no material uncertainties that may cast significant doubt about the group's or company's ability to continue as a going concern

The group is forecast to have sufficient cash and headroom to operate within its existing facility Despite difficult trading the group continues to generate cash The existing facility is repayable in April 2013 but the group's directors are confident of being able to renew the facilities The group is funded centrally and going concern is assessed as a group with the individual subsidiary performances supported by Deckers Hospitality Group

The group's directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future and have, therefore, adopted the going concern basis of accounting in preparing the financial statements

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business Turnover is shown net of Value Added Tax

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 20 years as in the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefits Goodwill is 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 indicate that the carrying value may not be recoverable

FIXED ASSETS

All fixed assets are initially recorded at cost less accumulated depreciation and accumulated impairment losses Such costs include costs directly attributable to making the asset capable of operating as intended

Pennine Manor Hotel Limited

ACCOUNTING POLICIES

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- 2% straight line
Furniture, fixtures & fittings	- 5 to 20 years straight line
Building improvements	- 2% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

STOCKS

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

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

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

REPAIRS AND RENEWALS

Repairs and renewals expenditure is written off to the profit and loss account as incurred

Pennine Manor Hotel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 1 April 2011 to 2 April 2012

1 OPERATING LOSS

Operating loss is stated after charging

	Period from 1 Apr 11 to 2 Apr 12 £	Year to 31 Mar 11 £
Amortisation of intangible assets	7,000	6,999
Depreciation of owned fixed assets	32,728	40,468
Impairment of goodwill	71,168	—

Audit fees are borne by Deckers Hospitality Group Limited, on behalf of the company

The directors did not receive any remuneration from the company during the year. The directors are paid by the parent company, Deckers Hospitality Group Limited.

2 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the period

	Period from 1 Apr 11 to 2 Apr 12 £	Year to 31 Mar 11 £
Deferred tax		
Origination and reversal of timing differences	(6,790)	10,491
Effect of changed tax rate on opening balance	—	(5,980)
Total deferred tax	<u>(6,790)</u>	<u>4,511</u>

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 26% (2011 - 28%), as explained below

	Period from 1 Apr 11 to 2 Apr 12 £	Year to 31 Mar 11 £
Loss on ordinary activities before taxation	<u>(163,564)</u>	<u>(125,812)</u>
Loss on ordinary activities by rate of tax	(42,527)	(35,227)
Effects of		
Capital allowances in excess of depreciation	1	6,622
Group relief surrendered	—	28,605
Unrelieved tax losses	42,526	—
Total current tax	<u>—</u>	<u>—</u>

Pennine Manor Hotel Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period from 1 April 2011 to 2 April 2012

3 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 April 2011	140,000
At 2 April 2012	<u>140,000</u>
Amortisation	
At 1 April 2011	61,832
Charge for the period	7,000
Impairment losses	71,168
At 2 April 2012	<u>140,000</u>
Net book value	
At 2 April 2012	—
At 31 March 2011	<u>78,168</u>

4 TANGIBLE FIXED ASSETS

	Freehold Property £	Furniture, fixtures & fittings £	Building improvements £	Total £
Cost				
At 1 April 2011	1,818,486	556,750	34,012	2,409,248
Additions	—	7,594	10,850	18,444
At 2 April 2012	<u>1,818,486</u>	<u>564,344</u>	<u>44,862</u>	<u>2,427,692</u>
Depreciation				
At 1 April 2011	—	399,477	130	399,607
Charge for the period	—	32,593	135	32,728
At 2 April 2012	<u>—</u>	<u>432,070</u>	<u>265</u>	<u>432,335</u>
Net book value				
At 2 April 2012	<u>1,818,486</u>	<u>132,274</u>	<u>44,597</u>	<u>1,995,357</u>
At 31 March 2011	<u>1,818,486</u>	<u>157,273</u>	<u>33,882</u>	<u>2,009,641</u>

The company has not depreciated freehold land and buildings and long leasehold land on the grounds that depreciation is insignificant given the useful lives of the buildings and the estimated residual values

Pennine Manor Hotel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 1 April 2011 to 2 April 2012

5 DEBTORS

	2 Apr 12	31 Mar 11
	£	£
Trade debtors	20,668	17,836
Other debtors	3,303	2,801
	<u>23,971</u>	<u>20,637</u>

6 CREDITORS Amounts falling due within one year

	2 Apr 12	31 Mar 11
	£	£
Amounts owed to group undertakings	2,193,703	2,157,240
Other taxation	37,750	39,447
Other creditors	92,533	59,389
	<u>2,323,986</u>	<u>2,256,076</u>

7 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
	£
Balance brought forward	23,920
Profit and Loss Account movement arising during the period	(6,790)
Balance carried forward	<u>17,130</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2 Apr 12	31 Mar 11
	£	£
Excess of taxation allowances over depreciation on fixed assets	17,130	23,920
	<u>17,130</u>	<u>23,920</u>

The company has estimated losses of £42,526 (2011 - £Nil) available for carry forward against future trading profits. The related deferred tax asset has not been included in the balance sheet as it is unlikely to reverse in the foreseeable future.

Pennine Manor Hotel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 1 April 2011 to 2 April 2012

8 CONTINGENCIES

VAT

The Company is included within a group registration for VAT purposes and is therefore jointly and severally liable for all group companies' VAT liabilities

Bank Guarantee

The company is party to an omnibus guarantee in support of facilities granted to other group companies, further supported by a debenture in favour of the Group's bank. At the period end the maximum potential exposure was £11.75 million (2011 - £10.75 million)

Group security

During the period a fellow subsidiary entered into an invoice discounting facility with Lloyds TSB Commercial Finance Limited. The facility is secured by an all assets debenture dated 30 January 2012 over all property and assets of the group.

9 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard Number 8 not to disclose transactions with group companies as it is a 100% owned subsidiary included in consolidated accounts that are publicly available.

There have been no other related party transactions during the period.

10 SHARE CAPITAL

	2 Apr 12 £	31 Mar 11 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

11 PROFIT AND LOSS ACCOUNT

	Period from 1 Apr 11 to 2 Apr 12 £	Year to 31 Mar 11 £
At the beginning of the period	(130,323)	–
Loss for the financial period	<u>(156,774)</u>	<u>(130,323)</u>
At the end of the period	<u>(287,097)</u>	<u>(130,323)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2 Apr 12 £	31 Mar 11 £
Loss for the financial period	(156,774)	(130,323)
Opening shareholder's (deficit)/funds	<u>(130,322)</u>	<u>1</u>
Closing shareholder's deficit	<u>(287,096)</u>	<u>(130,322)</u>

Pennine Manor Hotel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 1 April 2011 to 2 April 2012

13 ULTIMATE PARENT COMPANY

The ultimate parent company is Deckers Hospitality Group Limited also incorporated in the UK, the smallest and largest group for which consolidated accounts are prepared

The consolidated accounts of Deckers Hospitality Group Limited are available to the public and can be obtained from Companies House

The ultimate controlling party is a director of Deckers Hospitality Group Limited, Mr C Brierley