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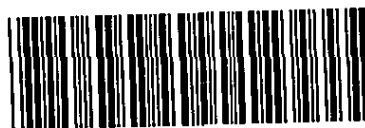
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Deckers Hospitality Group Limited

GROUP FINANCIAL STATEMENTS

for the period ended

31 March 2013



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COMPANIES HOUSE

Registered No 07161009

Deckers Hospitality Group Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Brierley
M Brierley

SECRETARY

V Brierley

AUDITOR

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

BANKERS

HSBC Bank Plc
4 Hardman Square
Manchester
M3 3EB

SOLICITORS

Linder Myers LLP (formerly SNG Commercial Law)
19 Spring Gardens
Manchester
M2 1FB

REGISTERED OFFICE

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

Deckers Hospitality Group Limited

DIRECTORS' REPORT

The directors submit their report and the group financial statements of Deckers Hospitality Group Limited for the period ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the group during the period was that of restaurateur, hotelier and liquor wholesaler. The principal activity of the company was that of a holding company.

RESULTS AND DIVIDENDS

The group's results are as set out in the consolidated profit and loss account on page 7. The group made a profit before tax of £54,000 (2012 - £601,000).

The directors have not recommended the payment of a dividend for the period (2012 - £204,000).

REVIEW OF THE BUSINESS

In light of continuing challenging conditions, the directors have taken the opportunity to refocus the business. The directors recognise this has impacted upon the current year's profitability but leaves the group well placed for future years. With secured financing, a strong balance sheet and growing sales the directors are pleased with the outlook.

Sales in continuing operations are up 10% driven by the positive performance of the wholesale business. Wholesale gross margins also show a 0.6% increase attributable to the sales mix achieved. Relationships with customers and suppliers continue to strengthen and the first half of 2013-2014 shows further growth.

Despite a difficult consumer market for restaurant sales, the directors are continuing to invest in providing customers with a quality dining experience. The directors are proud of their retail portfolio and continue to benefit from a loyal customer base.

The reshaping of the business has seen overheads reduced, thereby strengthening the operating profit of the continuing operations. With net impairment charges added back, operating profit of continuing operations shows an increase year on year of £664k.

The overall group net profit was impeded by a £87k impairment charge reflecting a revaluation of the assets, costs to reshape the business including redundancy costs, and a punitive interest rate swap that ended on 13 March 2013. The revaluation is discussed further below. The directors do not anticipate these costs continuing.

The sale of the two pubs on 2 April 2012 generated a significant cash inflow for the group. The directors opted to reduce the debt by £5.0m, leaving a £6.75m term loan versus shareholders' funds of £6.07m. At year end the group had £2.24m cash available.

Following the end of the existing loan with Lloyds in April 2013 the group secured a new financing package with HSBC. This package includes a 15 year loan which the directors feel gives the group both the stability and flexibility to push the business forward. The directors are looking forward to working with HSBC.

As the existing term loan was repayable within one year it has been classified as short term debt. Removing the loan shows current liabilities of £4.86m compared to current assets of £6.28m.

This year has seen changes to the business and the directors are positive about future performance.

CHANGE IN ACCOUNTING POLICY

The group policy for valuation of freehold property and improvements was changed during the year in order to more accurately represent the fixed asset values of the group. The directors consider that the new policy of revaluing freehold property provides a fairer representation of the group's financial position because of the significant difference between current market values and the historical book values of the assets in these classes. Due to the requirements of UK GAAP the previous year's comparative figures in the financial statements have also been restated to reflect the new policy, which overall has increased the net worth of the group by £1.4m.

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.

Deckers Hospitality Group Limited

DIRECTORS' REPORT

FUTURE DEVELOPMENTS

The directors are focussed on providing a quality experience for retail consumers, providing fresh ingredients at an affordable price. The directors value constructive customer feedback, which is reviewed daily, and seek to react to changing demands.

The directors are looking to continue to organically grow the wholesale business by securing strong trading relationships and capturing buying opportunities. The new finance facilities will allow the business to do this.

For decades the group has been internally supplying the group's restaurants and hotels with a premium meat offering. The directors are proud of the product and have decided to invest in its Butchery department to develop sales to external customers.

The directors are intending to move the year end from March to September. This is a commercial decision based on the buying cycles of the wholesale business. The directors believe the move will release management resources at a key time of the year.

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 about the group's ability to continue as a going concern.

The group is forecast to have sufficient cash and headroom to operate within its existing facility, and trade in the current year is generating positive cash flows from operations. The facility available at year end was repayable in April 2013 but the group has subsequently renewed the facilities with HSBC. 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 has 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.

PRINCIPAL RISKS AND UNCERTAINTIES

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

FINANCIAL RISK

The objectives of the group are to manage the group's financial risk, secure cost effective funding for the group's operations and to minimise the adverse effects of fluctuation in the financial markets on the group's financial assets and liabilities, on reported profitability and the cash flows of the group.

The group finances its activities through a combination of bank loans, cash deposits, overdraft and invoice discounting.

The directors monitor the interest rate closely and believe that an increase in interest rates will indicate a recovery in the retail market to match rising interest costs.

LIQUIDITY RISK

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 RISK

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.

Deckers Hospitality Group Limited

DIRECTORS' REPORT

LEGISLATIVE RISK

The company 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 company has a Health & Safety manager responsible for enforcing the group's rigorous Health & Safety policies. 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.

DIRECTORS

The following directors have held office since 3 April 2012

C Brierley (Chairman)
M Brierley

DISABLED PERSONS

The group gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled or disabled persons are newly employed, it is the group's policy wherever practicable to provide continuing employment and training under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

During the period, the policy of providing employees with information about the group has continued through regular briefings to the workforce. On these occasions employees have been encouraged to present their suggestions and views on the group's performance.

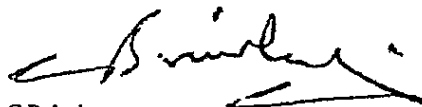
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITOR

Baker Tilly UK Audit LLP have indicated their willingness to continue in office.

On behalf of the Board



C Brierley
Director

Date: 6/12/2013

Deckers Hospitality Group 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 group and the company and of the profit or loss of the group 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 state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company 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 group and 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 group and the company 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**

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 29. 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 5, 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/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit-UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit-UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on the 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 31 March 2013 and of the group's profit 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 matters 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 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 BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

12.12.2013

Deckers Hospitality Group Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the period from 3 April 2012 to 31 March 2013

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 (re-stated) £'000
	Notes	£ 000
GROUP TURNOVER		
Continuing operations		33,375
Discontinued operations		-
	1	33,375
Cost of Sales		(27,495)
GROSS PROFIT		5,880
Selling and distribution costs		(3,119)
Administration expenses		(2,418)
Other operating income	2	103
OPERATING PROFIT		
Continuing operations		446
Discontinued operations		-
	3	446
Investment income		-
Profit on disposal of subsidiary undertakings		-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		446
Interest payable	6	(392)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		54
Tax on profit on ordinary activities	7	24
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE PERIOD	21	78

The profit on ordinary activities for the period ended 31 March 2013 derives from the group's continuing operations

Deckers Hospitality Group Limited

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the period from 3 April 2012 to 31 March 2013

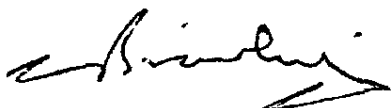
	Period from 3 Apr 12 to 31 Mar 13 £'000	Period from 1 Apr 11 to 2 Apr 12 (re-stated) £'000
Profit for the financial period	78	507
Unrealised surplus on revaluation of properties	23	-
Total recognised gains and losses relating to the period	101	507
Prior period adjustment (see note 10)	1,371	-
Total recognised gains and losses since the last financial statements	1,472	507

Deckers Hospitality Group Limited
CONSOLIDATED BALANCE SHEET
as at 31 March 2013

Company number. 07161009

		31 Mar 13	2 Apr 12
	Notes	£'000	(restated) £'000
FIXED ASSETS			
Intangible fixed assets	11	308	-
Tangible assets	12	10,959	11,150
Investments	13	-	309
		<u>11,267</u>	<u>11,459</u>
CURRENT ASSETS			
Stocks	14	1,652	2,318
Debtors	15	2,390	2,765
Cash at bank and in hand		2,242	7,115
		<u>6,284</u>	<u>12,198</u>
CREDITORS, AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(11,614)	(6,053)
NET CURRENT ASSETS/(LIABILITIES)		<u>(5,330)</u>	<u>6,145</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,937</u>	<u>17,604</u>
CREDITORS, AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17	-	(11,754)
PROVISIONS FOR LIABILITIES	19	(459)	(473)
NET ASSETS		<u>5,478</u>	<u>5,377</u>
CAPITAL AND RESERVES			
Called up share capital	20	272	272
Revaluation reserve	21	2,066	2,130
Capital redemption reserve	21	34	34
Profit and loss account	21	3,106	2,941
SHAREHOLDERS' FUNDS	22	<u>5,478</u>	<u>5,377</u>

The financial statements on pages 7 to 29 were approved by the Board of Directors and authorised for issue on 6/12/2013 2013 and are signed on its behalf by:



C Brierley
Director

Deckers Hospitality Group Limited

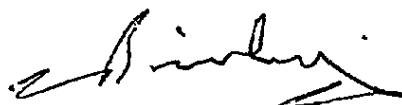
COMPANY BALANCE SHEET

as at 31 March 2013

Company number 07161009

		31 Mar 13	2 Apr 12
	<i>Notes</i>	£'000	£'000
FIXED ASSETS			
Tangible assets	12	51	69
Investments	13	272	272
		<u>323</u>	<u>341</u>
CURRENT ASSETS			
Debtors	15	8,344	8,646
Cash at bank and in hand		192	5,626
		<u>8,536</u>	<u>14,272</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(8,239)	(1,815)
NET CURRENT ASSETS		<u>297</u>	<u>12,457</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>620</u>	<u>12,798</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17	-	(11,750)
PROVISIONS FOR LIABILITIES	19	(4)	(9)
NET ASSETS		<u>616</u>	<u>1,039</u>
CAPITAL AND RESERVES			
Called up share capital	20	272	272
Profit and loss account	21	344	767
SHAREHOLDERS' FUNDS	22	<u>616</u>	<u>1,039</u>

The financial statements on pages 7 to 29 were approved by the Board of Directors and authorised for issue on 6/12/2013 and are signed on their behalf by



C Brierley
Director

Deckers Hospitality Group Limited
CONSOLIDATED CASHFLOW STATEMENT
for the period ended 31 March 2013

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 (restated)
Notes	£'000	£'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES 23(a)	(260)	499
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(392)	(581)
Dividends received	-	20
Net cash outflow from returns on investments and servicing of finance	(392)	(561)
TAXATION		
Repayment of corporation tax liability	16	15
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS		
Payments to acquire tangible fixed assets	(114)	(109)
Receipts from sales of tangible fixed assets	25	5
Net cash outflow from capital expenditure and financial investments	(89)	(104)
ACQUISITIONS AND DISPOSALS		
Sale of subsidiary undertakings	-	5,035
EQUITY DIVIDENDS PAID	(204)	-
Net cash inflow/(outflow) before financing	(929)	4,884
FINANCING		
Repayment of secured loan	(5,006)	-
Increase in secured loans	1,062	1,215
Net cash inflow/(outflow) from financing	(3,944)	1,215
Increase/(decrease) in cash in the period	(4,873)	6,099
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET DEBT		
Increase/(decrease) in cash in the period	(4,873)	6,099
Decrease/(increase) in loans	3,944	(1,215)
MOVEMENT IN NET DEBT IN THE PERIOD	(929)	4,884
Net debt at 3 April 23(b)	(4,644)	(9,734)
Net debt at 31 March 23(b)	(5,573)	(4,850)

Deckers Hospitality Group Limited

ACCOUNTING POLICIES

for the period ended 31 March 2013

BASIS OF ACCOUNTING

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

CHANGE IN ACCOUNTING POLICY

During the year the group has changed its policy on revaluation of freehold property from a policy of cost to revaluation. Further details are given in note 10

GOING CONCERN

The financial statements have been prepared on a going concern basis, as discussed in the directors' report

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 re-stated

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 31 March 2013

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

TURNOVER

Turnover which 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

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 the year 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

Deckers Hospitality Group Limited
ACCOUNTING POLICIES
for the period ended 31 March 2013

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

DEPRECIATION

Depreciation is provided on all tangible fixed assets, other than freehold and long leasehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Building improvements	
Leasehold land and buildings	- over the duration of the lease
Tenants improvements	- at 2% straight line
Furniture, fixtures and fittings	- on straight line basis over estimated useful life ranging from 5 to 20 years
Motor vehicles	- at 25% reducing balance

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.

INVESTMENTS

Investments are stated at cost less any provision for diminution in value.

STOCKS

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.

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.

Deckers Hospitality Group Limited
ACCOUNTING POLICIES
for the period ended 31 March 2013

LEASING

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.

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.

PENSION COSTS

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

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group and occurs entirely within the United Kingdom.

2 OTHER OPERATING INCOME

	Period from 3 Apr 12 to 31 Mar 13 £'000	Period from 1 Apr 11 to 2 Apr 12 (restated) £'000
Profit on sale of rights to land	103	—
Other operating income	—	3
	<u>103</u>	<u>3</u>

3 GROUP OPERATING PROFIT

This is stated after charging/(crediting)

	Period from 3 Apr 12 to 31 Mar 13 £ 000	Period from 1 Apr 11 to 2 Apr 12 (restated) £'000
Auditor's remuneration		
- audit of the financial statements	10	10
- statutory audits for subsidiaries	7	9
- taxation	8	12
- other services	7	8
Depreciation of owned fixed assets	250	372
Depreciation of assets held under finance lease agreements	4	4
Amortisation	—	22
Impairment of goodwill	—	71
Impairment of fixed assets	87	—
Reversal of past impairment losses	(46)	—
Loss on disposal of fixed assets	8	3
Operating lease rentals		
- Plant and machinery	26	26
- Land and buildings	61	102
Net loss on foreign currency translation	—	2

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

4 DIRECTORS' EMOLUMENTS

	Period from 3 Apr 12 to 31 Mar 13 £'000	Period from 1 Apr 11 to 2 Apr 12 (restated) £'000
Emoluments	110	107
Group contributions to pension scheme	-	100
	<u>110</u>	<u>207</u>

No directors had benefits accruing under a money purchase pension scheme (2012 – one) No director received nor exercised any share options during the period No director receives remuneration or benefits under a long term incentive scheme

5 STAFF COSTS

	Period from 3 Apr 12 to 31 Mar 13 £'000	Period from 1 Apr 11 to 2 Apr 12 (restated) £'000
Wages and salaries	3,117	4,123
Social security costs	218	298
Pension costs	-	100
	<u>3,335</u>	<u>4,521</u>

The average weekly number of employees during the period was as follows

	2013 No	2012 No
Administration	17	19
Bar and restaurant staff	238	348
	<u>255</u>	<u>367</u>

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

	2013 No.	2012 No
Administration	17	19
Bar and restaurant staff	194	284
	<u>211</u>	<u>303</u>

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

6 INTEREST PAYABLE

	Period from 3 Apr 12 to 31 Mar 13 £'000	Period from 1 Apr 11 to 2 Apr 12 (restated) £'000
Bank loan and overdraft	392	581

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period from 3 Apr 12 to 31 Mar 13 £'000	Period from 1 Apr 11 to 2 Apr 12 (restated) £'000
(a) Tax on profit on ordinary activities		
<i>UK corporation tax</i>		
UK corporation tax on the results of the period	22	-
Adjustments in respect of previous periods	(1)	(21)
Total current tax (note 7(b))	21	(21)
<i>Deferred tax</i>		
Originating and reversal of timing differences	(45)	115
Total deferred tax	(45)	115
Tax on profit on ordinary activities	(24)	94

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

(b) Factors affecting current tax charge

The tax charge for the period is different from the standard rate of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below.

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 <i>(restated)</i>
	£'000	£'000
Profit on ordinary activities before taxation	54	601
Expected tax charge at 24% (2012 - 26%)	13	156
Income not deductible for corporation tax purposes	(19)	(250)
Capital allowances in excess of depreciation	11	(6)
Other timing differences	(1)	-
Losses brought forward	-	100
Adjustments in respect of previous periods	(1)	(21)
Marginal rate	(2)	-
Chargeable gains	20	-
Current tax charge for the period (note 7(a))	21	(21)

(c) Factors affecting future tax charges

The group has a deferred tax liability of £375k (2012 - £421k) which has been fully provided (note 19).

8 PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12
	£'000	£'000
Dealt with in the financial statements of the parent company	(423)	971

9 DIVIDENDS

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 <i>(restated)</i>
	£'000	£'000
Ordinary paid – Nil per share (2012 – 75p)	-	204
	-	204

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

10 PRIOR PERIOD ADJUSTMENT

The group policy for valuation of freehold property and improvements was changed during the period in order to more accurately represent the fixed asset values of the group. The directors consider that the new policy of revaluing freehold property provides a fairer representation of the group's financial position because of the significant difference between current market values and the historical book values of the assets in these classes.

The comparative figures in the financial statements have been restated to reflect the new policy. The opening comparative figures have been restated to the revalued amount. Freehold property no longer owned by the group has not been revalued on the basis that it would be impractical to obtain a valuation.

The effect of the change in policy is as follows

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 (restated)
	£'000	£'000
Profit and loss account		
Impairment of fixed assets	(87)	-
Reversal of past impairment losses	46	-
	<u>-</u>	<u>-</u>
Decrease in profit for the financial period	(41)	-
	<u>-</u>	<u>-</u>
Balance Sheet		
Fixed assets – increase in revalued amount	1,353	1,371
	<u>1,353</u>	<u>1,371</u>
Increase in net assets		

11 INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000
Cost	
At 3 April 2012	140
Additions	308
	<u>448</u>
At 31 March 2013	
	<u>448</u>
Amortisation	
At 3 April 2012 and at 31 March 2013	140
	<u>140</u>
Net book value	
At 31 March 2013	308
	<u>308</u>
At 3 April 2012	-
	<u>-</u>

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

12 TANGIBLE FIXED ASSETS

Group	Freehold property and improvements £ 000	Leasehold improvements £'000	Motor vehicles £'000	Furniture fixtures & fittings £'000	Total £ 000
Cost					
At 3 April 2012 (<i>restated</i>)	8,887	1,688	144	4,685	15,404
Additions	-	-	40	74	114
Disposals	-	-	(76)	(35)	(111)
Revaluation	70	-	-	-	70
At 31 March 2013	8,957	1,688	108	4,724	15,477
Depreciation					
At 3 April 2012 (<i>restated</i>)	-	499	81	3,674	4,254
Charge for the period	-	35	23	196	254
Disposals	-	-	(53)	(25)	(78)
Impairment losses	87	-	-	-	87
At 31 March 2013	87	534	51	3,845	4,517
Net book value					
At 31 March 2013	8,870	1,154	57	879	10,959
At 3 April 2012 (<i>restated</i>)	8,887	1,189	63	1,011	11,150

The net book value of motor vehicles includes £7,000 (2012 - £11,000) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge in respect of these assets was £4,000 (2012 - £4,000)

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 FINANCIAL STATEMENTS
for the period ended 31 March 2013

12 TANGIBLE FIXED ASSETS *(continued)*

If freehold property and improvements had not been revalued, they would have been included in the balance sheet on the historical cost basis at the following amounts

	31 Mar 13	2 Apr 12
	£'000	£'000
Cost	7,644	7,644
Accumulated depreciation	(140)	(128)
Net book amount at 31 March 2013	7,504	7,516

Company

	Motor vehicles £'000	Furniture fixtures & fittings £'000	Total £'000
Cost			
At 3 April 2012	101	311	412
Additions	18	2	20
Disposals	(63)	-	(63)
At 31 March 2013	56	313	369
Depreciation			
At 3 April 2012	58	285	343
Charge for the period	15	8	23
Disposals	(48)	-	(48)
At 31 March 2013	25	293	318
Net book value.			
At 31 March 2013	31	20	51
At 31 March 2012	43	26	69

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

13 FIXED ASSET INVESTMENTS

<i>Group</i>	Other investment Total £'000
<i>Cost</i>	
At 3 April 2012	309
Disposals	(309)
At 31 March 2013	-

On 10 April 2012 the group purchased the remaining 51% of share capital of Limelight Leisure Limited for a consideration of £1. Up to the date of acquiring the remaining shares, Limelight Leisure Limited has been treated as an investment, not an associate, on the grounds that the group lacked significant influence over the operating and financial policies of the company, due to another majority shareholder.

Following this purchase the assets and liabilities of Limelight Leisure Limited have been consolidated at their fair values to the Group, as set out below:

	Fair value at date of acquisition £
Debtors	851,360
Cash at bank	3,336
Total assets	854,696
Current liabilities	(852,937)
Goodwill	307,662
Net assets	309,421
Settled by:	
Cash consideration	1
Cost of initial investment	309,420
	309,421

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

13 FIXED ASSET INVESTMENTS (*continued*)

Company

Subsidiary
undertakings
Total
£ 000

Cost

At 3 April 2012 and 31 March 2013

272

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

	Type	Country of registration %	Proportion of total voting rights held %	Nature of business
Deckers Restaurants Limited	Ordinary Shares	UK	100	Liquor wholesaler and butchery
Sale Water Park Restaurant Limited	Ordinary Shares	UK	100	Restaurateur
The Crimble Limited	Ordinary Shares	UK	100	Restaurateur
The Royal Toby Hotel (Castleton) Limited	Ordinary Shares	UK	100	Restaurateur
Pennine Manor Hotel Limited	Ordinary Shares	UK	100	Restaurateur
Deckers Group Limited	Ordinary Shares	UK	100	Dormant
PMHL Realisations Limited *	Ordinary Shares	UK	100	Dormant
Limelight Leisure Limited* Wholesales	Ordinary Shares	UK	100	Liquor

* These investments are held indirectly via the direct subsidiary, Deckers Restaurants Limited.

14 STOCKS

Group

	31 Mar 13	2 Apr 12 (re-stated)
	£'000	£'000
Food and bar stocks	1,508	2,174
Cutlery and crockery stock	144	144
	<u>1,652</u>	<u>2,318</u>

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

15 DEBTORS

	Group		Company	
	31 Mar 13	2 Apr 12 (restated)	31 Mar 13	2 Apr 12
	£'000	£'000	£ 000	£ 000
Trade debtors	1,975	2,405	-	49
Amounts due from subsidiary undertakings	-	-	8,260	8,563
Corporation tax repayable	-	16	-	4
Other debtors	82	23	82	-
Prepayments and accrued income	333	321	2	30
	<u>2,390</u>	<u>2,765</u>	<u>8,344</u>	<u>8,646</u>

16 CREDITORS amounts falling due within one year

	Group		Company	
	31 Mar 13	2 Apr 12 (restated)	31 Mar 13	2 Apr 12
	£'000	£'000	£'000	£'000
Bank loan	6,750	-	6,750	-
Invoice discounting creditor	1,268	206	-	-
Trade creditors	2,726	4,368	364	412
Amounts due to subsidiary undertakings	-	-	1,037	757
Corporation tax	22	1	-	-
Other taxes and social security costs	449	503	16	55
Finance lease agreements	3	5	-	-
Other creditors	164	284	8	228
Accruals and deferred income	232	686	64	363
	<u>11,614</u>	<u>6,053</u>	<u>8,239</u>	<u>1,815</u>

At the year end the invoice discounting facility with Lloyds TSB Commercial Finance Limited was secured by an all assets debenture dated 30 January 2012 over all property and assets of the group.

17 CREDITORS amounts falling due after more than one year

	Group		Company	
	31 Mar 13	2 Apr 12 (restated)	31 Mar 13	2 Apr 12
	£'000	£'000	£'000	£'000
Bank loan	-	11,750	-	11,750
Finance lease agreements	-	4	-	-
	<u>-</u>	<u>11,754</u>	<u>-</u>	<u>11,750</u>

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

18 MATURITY ANALYSIS

	31 Mar 13	2 Apr 12 (restated)
	£'000	£'000
<i>Bank loan</i>		
Amounts repayable by instalments		
Within one year	6,750	-
Within two or five years	-	11,750
	<u>6,750</u>	<u>11,750</u>

At 2 April 2012, the group's financing arrangements consisted of a £7m secured loan and a £5m (of which £4.75m was drawn down) secured revolving facility both repayable on 11 April 2013. Both loans are secured by first legal charges, debentures and legal charges over the group's estate. During the year, following the disposal of the Group's former subsidiaries, Rope and Anchor (Dunham Massey) Limited and Plough and Flail Limited on 2 April 2012, the group made an early repayment of £5m of the facility.

	Group	
	31 Mar 13	2 Apr 12 (restated)
	£'000	£'000
<i>Finance leases</i>		
Amounts repayable by instalments		
Within one year	3	5
Within two to five years	-	4
	<u>3</u>	<u>9</u>

Obligations under finance leases and hire purchase contracts are secured by related assets.

19 PROVISIONS FOR LIABILITIES

Group

	Provision for Dilapidations £'000	Deferred Tax £'000	Total £'000
At 3 April 2012	52	421	473
Charge for the period	32	(46)	(14)
At 31 March 2013	<u>84</u>	<u>375</u>	<u>459</u>

The provision of £84k (2012 - £52k) is for the expected cost of dilapidations to be paid in respect of leases that expired in October 2012. It is expected that all of this expenditure will be incurred in the next financial year.

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

19 PROVISIONS FOR LIABILITIES (continued)

Deferred taxation provided in the accounts is as follows

	31 Mar 13	2 Apr 12 (restated)
	£'000	£'000
<i>Deferred tax provision</i>		
Capital allowances in excess of depreciation	375	421
	<u>375</u>	<u>421</u>

The group has estimated losses of £155,534 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.

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.

Company

	Deferred tax £'000
At 3 April 2012	9
Charge for the period	(5)
At 31 March 2013	<u>4</u>

Deferred taxation provided in the accounts is as follows

	31 Mar 13	2 Apr 12
	£'000	£'000
<i>Deferred tax provision</i>		
Capital allowances in excess of depreciation	4	9
	<u>4</u>	<u>9</u>

The company has estimated losses of £6,539 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.

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

20 SHARE CAPITAL
Group and Company

Allotted, called up and fully paid

	31 Mar 13	31 Mar 13	2 Apr 12 (restated)	2 Apr 12 (restated)
	No	£ 000	No.	£'000
Ordinary shares of £1 each	271,999	272	271,999	272

21 MOVEMENTS ON RESERVES
Group

	Revaluation Reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 3 April 2012 (restated)	2,130	34	2,941
Loss for the period	-	-	78
Transfer to the profit and loss account	(87)	-	87
Revaluation of fixed assets	23	-	-
At 31 March 2013	2,066	34	3,106

Company

	Profit and loss account £'000
At 3 April 2012	767
Loss for the period	(423)
At 31 March 2013	344

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>Group</i>		<i>Company</i>	
	31 Mar 13	2 Apr 12 (restated)	31 Mar 13	2 Apr 12
	£'000	£'000	£'000	£'000
Profit/(loss) for the financial period	78	507	(423)	971
Dividends	-	(204)	-	(204)
Other net gains and losses	23	-	-	-
Net (reduction)/addition to shareholders' funds	101	303	(423)	767
Opening shareholders' funds	4,006	5,074	1,039	272
Prior year adjustment (see note 10)	1,371	-	-	-
Closing shareholders' funds	5,478	5,377	616	1,039

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

23 NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 (restated)
	£'000	£'000
Operating profit	446	145
Depreciation	254	376
Amortisation	-	22
Impairment of goodwill	-	71
Impairment of fixed assets	87	-
Reversal of past impairment losses	(46)	-
Loss on disposal of fixed assets	8	3
(Increase)/decrease in debtors	359	(785)
(Increase)/decrease in stocks	666	(976)
Increase/(decrease) in creditors	(2,066)	1,591
Increase in provisions	32	52
Net cash inflow from operating activities	(260)	499

(b) Analysis of net debt

	At 3 April 2012 £'000	Cash flow £'000	Other non cash changes	At 31 March 2013 £'000
Cash at bank and in hand	7,115	(4,873)	-	2,242
Short term loans	-	-	(6,750)	(6,750)
Long term loans	(11,750)	5,000	6,750	-
Finance leases	(9)	6	-	(3)
Invoice discounting	(206)	(1,062)	-	(1,268)
	(4,850)	(929)	-	(5,779)

24 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the group and company had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings		Other		Total	
	31 Mar 13	2 Apr 12 (restated)	31 Mar 13	2 Apr 12 (restated)	31 Mar 13	2 Apr 12 (restated)
	£'000	£'000	£'000	£'000	£'000	£'000
Operating leases which expire	-	61	6	11	6	72
Under one year	-	-	9	15	9	15
In two to five years	-	-	-	-	-	-
		61	15	26	15	87

Deckers Hospitality Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

24 COMMITMENTS UNDER OPERATING LEASES (*continued*)

Company

	Other	
	31 Mar 13	2 Apr 12
	£'000	£'000
<i>Operating leases which expire</i>		
Under one year	-	-
In two to five years	8	8
	<u>8</u>	<u>8</u>

25 PENSION COSTS

No contributions were payable by the company to the personal pension schemes of employees (2012 - £100k) Outstanding amounts in respect of pension contributions payable at the balance sheet date were £Nil (2012 - £100k)

26 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption to not disclose transactions entered into by two or more members of the group

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

27 TRANSACTIONS WITH DIRECTORS

The directors C Brierley and M Brierley are also shareholders of the company and received dividends in the period of £Nil (2012 - £150,210 and £36,720 respectively)

28 CAPITAL COMMITMENTS

At 31 March 2013, the amounts contracted for but not provided in the financial statements amounted to £Nil (2012 - £Nil)

29 ULTIMATE CONTROLLING PARTY

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

30 POST BALANCE SHEET EVENT

During July 2013 the group repaid in full its loan to Lloyds TSB Plc and committed to new financing arrangements with HSBC Bank Plc, consisting of a £6.35m term loan repayable over 15 years, £0.5m overdraft facility and invoice discounting facility The facilities are secured by first legal charges, debentures and legal charges over the group's estate

31 PARENTAL 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