Pennine Manor Hotel Limited

UNAUDITED FINANCIAL STATEMENTS

for the period ended

31 March 2013

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A06 18/12/2013 #52
COMPANIES HOUSE

Company Registration No 04640106

Pennine Manor Hotel Limited
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Brierley
M Brierley

SECRETARY

V Brierley

REGISTERED OFFICE

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

BANKERS

HSBC Bank Plc
4 Hardman Square
Manchester
M3 3EB

SOLICITORS

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

Pennine Manor Hotel Limited
DIRECTORS' REPORT

The directors submit their report and unaudited financial statements of Pennine Manor Hotel Limited for the period from 3 April 2012 to 31 March 2013

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

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

6/12/13

Pennine Manor Hotel Limited
UNAUDITED PROFIT AND LOSS ACCOUNT
for the period from 3 April 2012 to 31 March 2013

	Notes	Period from 3 Apr 12 to 31 Mar 13 £	Period from 1 Apr 11 to 2 Apr 12 (restated) £
TURNOVER		791,044	744,480
Cost of sales		(212,748)	(187,196)
Gross profit		578,296	557,284
Distribution costs		(396,147)	(358,527)
Administrative expenses		(242,363)	(362,321)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(60,214)	(163,564)
Taxation	2	11,807	6,790
LOSS FOR THE FINANCIAL PERIOD	12	(48,407)	(156,774)

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

Pennine Manor Hotel Limited

UNAUDITED 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	Period from 1 Apr 11 to 2 Apr 12 *(restated)*
	£	£
Loss for the financial period	(48,407)	(156,774)
Total recognised gains and losses relating to the period	(48,407)	(156,774)
Prior period adjustment (see note 3)	(759,641)	–
Total recognised gains and losses since the last financial statements	(808,048)	(156,774)

Company Registration No 04640106

Pennine Manor Hotel Limited

UNAUDITED BALANCE SHEET

31 March 2013

	Notes	31 Mar 13 £	2 Apr 12 *(restated)* £
FIXED ASSETS			
Intangible assets	4	–	–
Tangible assets	5	1 260,715	1,235,716
		1,260,715	1,235,716
CURRENT ASSETS			
Stocks		25,723	22,741
Debtors	6	24,985	23,971
Cash at bank and in hand		17,772	11,951
		68,480	58,663
CREDITORS			
Amounts falling due within one year	7	(2,419,016)	(2,323,986)
NET CURRENT LIABILITIES		(2,350,536)	(2,265,323)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1 089,821)	(1,029,607)
PROVISIONS FOR LIABILITIES	8	(5,323)	(17,130)
		(1,095,144)	(1,046,737)
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	(1,095,145)	(1,046,738)
DEFICIT	13	(1,095,144)	(1,046,737)

For the period ended 31 March 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 In addition its members have not required the company to have an audit of its financial statements for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

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 3 to 12 were approved by the board of directors and authorised for issue on 6/12/13 and are signed on their behalf by

C Brierley
Director

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards

CHANGE IN ACCOUNTING POLICY

During the year the company has changed its policy on revaluation of freehold property from a policy of cost to revaluation Further details are given in note 3

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, 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 have subsequently renewed post year end 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 has adequate resources to continue in operational existence for the foreseeable future and has 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 in circumstances indicate that the carrying value may not be recoverable

AMORTISATION

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

Goodwill - 20 years straight line

FIXED ASSETS

All fixed assets are initially recorded 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 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

Furniture, fixtures & fittings - 5 to 20 years straight line

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 company 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

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

1 OPERATING LOSS

Operating loss is stated after charging/(crediting)

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 *(restated)*
	£	£
Amortisation of intangible assets	-	7,000
Depreciation of owned fixed assets	27,344	32,729
Impairment of goodwill	-	71,168
Loss on disposal of fixed assets	6,278	-
Reversal of past impairment losses	(46,933)	-

The directors did not receive any remuneration from the company during the period 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 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 *(restated)*
	£	£
Deferred tax		
Origination and reversal of timing differences	(11,807)	(6,790)

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 24% (2012 – 26%), as explained below

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 *(restated)*
	£	£
Loss on ordinary activities before taxation	(60,214)	(163,564)
Loss on ordinary activities by rate of tax	(14,451)	(42,527)
Effects of		
Capital allowances in excess of depreciation	(7,182)	1
Group relief surrendered	21,633	-
Unrelieved tax losses	-	42,526
Total current tax	-	-

3 PRIOR PERIOD ADJUSTMENT

The company 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 company The directors consider that the new policy of revaluing freehold property provides a fairer representation of the company'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

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)*
	£	£
Profit and loss account		
Reversal of past impairment losses	46,933	–
Increase in results for the financial period	46,933	–
Balance Sheet		
Fixed assets – decrease in revalued amount	(712,708)	(759,641)
Decrease in net assets	(712,708)	(759 641)

4 INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost	
At 3 April 2012 and 31 March 2013	140,000
Amortisation	
At 3 April 2012	140,000
At 31 March 2013	140,000
Net book value	
At 31 March 2013	–
At 2 April 2012	–

5 TANGIBLE FIXED ASSETS

	Freehold property and improvements £	Furniture, fixtures & fittings £	Total £
Cost			
At 3 April 2012 *(restated)*	1,103,442	564,344	1 667 786
Additions	–	11,688	11,688
Disposals	–	(24,813)	(24,813)
Revaluation	46,933	–	46,933
At 31 March 2013	1,150,375	551,219	1,701,594
Depreciation			
At 3 April 2012 *(restated)*	–	432,070	432,070
Charge for the period	–	27,344	27,344
On disposals	–	(18,535)	(18,535)
At 31 March 2013	–	440,879	440,879
Net book value			
At 31 March 2013	1,150,375	110,340	1,260,715
At 2 April 2012 *(restated)*	1,103,442	132,274	1,235,716

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

The freehold properties 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

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 £
Cost	1,863,348	1,863,348
Accumulated depreciation	(409)	(265)
Net book amount at 31 March 2013	1,862,939	1,863,083

6 DEBTORS

	31 Mar 13 £	2 Apr 12 *(restated)* £
Trade debtors	22,885	20,668
Other debtors	2,100	3,303
	24,985	23,971

7 CREDITORS Amounts falling due within one year

	31 Mar 13	2 Apr 12 *(restated)*
	£	£
Amounts owed to group undertakings	2,248 203	2 193,703
Other taxation	42,810	37,750
Other creditors	128,003	92,533
	2,419,016	2,323,986

8 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
	£
Balance brought forward	17,130
Profit and Loss Account movement arising during the period	(11,807)
Balance carried forward	5,323

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

	31 Mar 13	2 Apr 12 *(restated)*
	£	£
Excess of taxation allowances over depreciation on fixed assets	5,323	17,130
	5,323	17,130

9 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 and Group security

During the period, the company was 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 £6 75 million (2012 - £11 75 million)

During the period, a fellow subsidiary was party to an invoice discounting facility with Lloyds TSB Commercial Finance Limited The facility was secured by an all assets debenture dated 30 January 2012 over all property and assets of the group

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

10 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

Pennine Manor Hotel Limited

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

for the period from 3 April 2012 to 31 March 2013

11 SHARE CAPITAL

	31 Mar 13	2 Apr 12 *(restated)*
	£	£
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

12 PROFIT AND LOSS ACCOUNT

	Period from 3 Apr 12 to 31 Mar 13	Period from 1 Apr 11 to 2 Apr 12 *(restated)*
	£	£
Balance brought forward as previously reported	(287,097)	(889,964)
Prior year adjustment (see note 3)	(759,641)	–
Balance brought forward restated	(1,046,738)	(889,964)
Loss for the financial period	(48,407)	(156,774)
At the end of the period	(1,095,145)	(1,046,738)

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	31 Mar 13	2 Apr 12 *(restated)*
	£	£
Loss for the financial period	(48,407)	(156,774)
Opening shareholder's deficit	(287,096)	(889,963)
Prior year adjustment (see note 3)	(759,641)	–
Closing shareholder's deficit	(1,095,144)	(1,046,737)

14 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