Registered number: 04640106

Pennine Manor Hotel Limited

Financial statements

Information for filing with the registrar

For the Year Ended 30 September 2017

Pennine Manor Hotel Limited
Registered number: 04640106

Balance Sheet
As at 30 September 2017

	Note		2017 £		*Unaudited 2016 £*
Fixed assets					
Intangible assets	4		1,606		*2,044*
Tangible fixed assets	5		1,212,662		*1,250,000*
			1,214,268		*1,252,044*
Current assets					
Stocks		21,780		*21,651*	
Debtors: amounts falling due within one year	6	43,614		*55,404*	
Cash at bank and in hand	7	27,772		*42,667*	
		93,166		*119,722*	
Creditors: amounts falling due within one year	8	(1,284,319)		*(1,263,110)*	
Net current liabilities			(1,191,153)		*(1,143,388)*
Total assets less current liabilities			23,115		*108,656*
Provisions for liabilities					
Deferred tax		(21,082)		*(23,321)*	
			(21,082)		*(23,321)*
Net assets			2,033		*85,335*
Capital and reserves					
Called up share capital			1		*1*
Profit and loss account			2,032		*85,334*
			2,033		*85,335*

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C Brierley
Director

Date: 1 June 2018

The notes on page 4 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 September 2017

1. General information

Pennine Manor Hotel Limited is a private company limited by shares and incorporated in England. The registered office is Unit F, Royle Pennine Trading Estate, Lynroyle Way, Rochdale, OL11 3EX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Deckers Hospitality Group Limited as at 30 September 2017 and these financial statements may be obtained from Companies House.

2.3 Going concern

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. During the year ended 30 September 2017, the company made a loss before taxation of £85,541 (2016: £1,830,419 profit) and had net current liabilities of £1,191,153 (2016: £1,143,388) and net assets of £2,033 (2016: £85,335). The parent company and fellow subsidiaries will continue to provide support to the company for the foreseeable future. On that basis, the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software	-	20 % straight line

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property and improvements	- Not depreciated
Furniture, fixtures and fittings	- 5 to 20 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

No depreciation has been provided on freehold property, contrary to Financial Reporting Standard 102, which requires that provision be made for depreciation of fixed assets having a finite useful life. The directors are of the opinion that the residual values at the end of the estimated useful lives of the buildings are not likely to be materially different from their carrying values. This is because it is the company's policy to maintain buildings in such a condition that their value is not diminished by the passage of time and the relevant expenditure is charged to profit before tax in the year in which it is incurred. Therefore any element of depreciation is considered to be immaterial and no provision is made.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 *Pensions*

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Employees

The average monthly number of employees, including directors, during the year was 38 *(2016 -33)*.

Notes to the Financial Statements
For the Year Ended 30 September 2017

4. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 October 2016	**2,190**	**140,000**	**142,190**
At 30 September 2017	**2,190**	**140,000**	**142,190**
Amortisation			
At 1 October 2016	**146**	**140,000**	**140,146**
Charge for the year	**438**	**-**	**438**
At 30 September 2017	**584**	**140,000**	**140,584**
Net book value			
At 30 September 2017	**1,606**	**-**	**1,606**
At 30 September 2016	*2,044*	*-*	*2,044*

5. Tangible fixed assets

	Freehold property and improvements £	Furniture, fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2016	1,204,121	753,630	1,957,751
Additions	-	1,555	1,555
At 30 September 2017	1,204,121	755,185	1,959,306
Depreciation			
At 1 October 2016	161,617	546,134	707,751
Charge for the year on owned assets	-	38,893	38,893
At 30 September 2017	161,617	585,027	746,644
Net book value			
At 30 September 2017	1,042,504	170,158	1,212,662
At 30 September 2016	*1,042,504*	*207,496*	*1,250,000*

6. Debtors

	2017 £	*Unaudited 2016 £*
Trade debtors	15,667	*22,643*
Prepayments and accrued income	27,947	*32,761*
	43,614	*55,404*

7. Cash and cash equivalents

	2017	*Unaudited* *2016*
	£	*£*
Cash at bank and in hand	**27,772**	*42,667*
	27,772	*42,667*

8. Creditors: Amounts falling due within one year

	2017	*Unaudited* *2016*
	£	*£*
Amounts owed to group undertakings	**1,134,813**	*1,111,139*
Other taxation and social security	**50,386**	*51,762*
Other creditors	**8,203**	*9,654*
Accruals and deferred income	**90,917**	*90,555*
	1,284,319	*1,263,110*

9. Financial commitments, guarantees and contingent liabilities

Bank guarantee and group securities:

There is a group cross-company unlimited guarantee dated 2 May 2013 in favour of HSBC Bank Plc. 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.

The group's 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.

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. The total potential liability for the period end was £184,545 (2016: £190,137).

10. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £225 (2016: £261) were payable to the fund at the balance sheet date.

11. Post balance sheet events

Since the balance sheet date, the parent company, Deckers Hospitality Group Limited, has entered formal sale proceedings to sell 100% of its shareholding in the company.

12. Controlling party

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 financial statements 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.

13. Auditors' information

The auditors' report on the financial statements for the year ended 30 September 2017 was unqualified.

In their report, the auditors emphasised that following matter without qualifying their report:

To draw attention to Note 2.3 of the financial statements, which describes the basis of the company to prepare financial statements on a going concern basis.

The audit report was signed on 1 June 2018 by Helen Besant-Roberts (Senior statutory auditor) on behalf of Hurst & Company Accountants LLP.