Company Registration No. 04640106 (England and Wales)

PENNINE MANOR HOTEL LIMITED

REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2016

PENNINE MANOR HOTEL LIMITED

COMPANY INFORMATION

Directors	C Brierley M Brierley
Secretary	V Cosgrove
Company number	04640106
Registered office	Unit F Royle Pennine Trading Estate Lynroyle Way Rochdale OL11 3EX
Accountants	RSM UK Tax and Accounting Limited Chartered Accountants 3 Hardman Street Manchester M3 3HF
Bankers	HSBC Bank Plc 4 Hardman Square Spinningfields Manchester M3 3EB
Solicitors	Gunnercooke LLP 53 King Street Manchester M2 4LQ

PENNINE MANOR HOTEL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their annual report and financial statements for the year ended 30 September 2016.

Principal activities
The principal activity of the company during the period was that of restaurateur and hotelier.

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

C Brierley
M Brierley

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

19/5/17
....

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF PENNINE MANOR HOTEL LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of Pennine Manor Hotel Limited which comprise the Statement of Total Comprehensive Income, the Statement Of Financial Position and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Pennine Manor Hotel Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Pennine Manor Hotel Limited and state those matters that we have agreed to state to the Board of Directors of Pennine Manor Hotel Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at icaew.com. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pennine Manor Hotel Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Pennine Manor Hotel Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Pennine Manor Hotel Limited under the Act. You consider that Pennine Manor Hotel Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Pennine Manor Hotel Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

RSM UK Tax and Accounting Limited

RSM UK Tax and Accounting Limited
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

24 MAY 2017

PENNINE MANOR HOTEL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
Turnover		851.182	678,694
Cost of sales		(192,151)	(174,912)
Gross profit		659,031	503,782
Distribution costs		(475,607)	(442.119)
Administrative expenses		(353,005)	(310,127)
Exceptional item	2	2,000,000	-
Profit/(loss) before taxation		1,830,419	(248.464)
Taxation	4	(7,224)	(9.949)
Profit/(loss) for the financial year		1,823,195	(258,413)

Company Registration No. 04640106

PENNINE MANOR HOTEL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	5		2,044		-
Tangible assets	6		1,250.000		1,216,797
			1,252,044		1,216,797
Current assets					
Stocks		21,651		23,130	
Debtors	7	55,404		55,659	
Cash at bank and in hand		42,667		18,217	
		119,722		97,006	
Creditors: amounts falling due within one year	8	(1,263,110)		(3,035,566)	
Net current liabilities			(1,143,388)		(2,938,560)
Total assets less current liabilities			108,656		(1,721,763)
Provisions for liabilities	9		(23,321)		(16.097)
Net assets/(liabilities)			85,335		(1,737,860)
Capital and reserves					
Called up share capital	10		1		1
Profit and loss reserves			85,334		(1,737,861)
Total equity			85,335		(1,737,860)

For the financial year ended 30 September 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and the members have have not required the company to obtain 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 were approved by the board of directors and authorised for issue on 19/5/17 and are signed on its behalf by:

C Brierley
Director

1 Accounting policies

Company information

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

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Pennine Manor Hotel Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Pennine Manor Hotel Limited for the year ended 30 September 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 14.

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

1 ***Accounting policies (Continued)***

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. . At transition to FRS 102 properties previously included at valuation have been recognised in the financial statements at deemed cost.

Tangible fixed assets are 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.

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if. and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation reserve.

1 Accounting policies (Continued)

Stocks
Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, the group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised an an impairment loss in profit or loss.

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried out at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of future receipts discounted at a market rate of interest.

Classification of financial liabilities
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 company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1 Accounting policies (Continued)

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity. when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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 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 difference from those in which they are recognised in the financial statements.

Deferred tax is measured at the average 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.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2 Exceptional costs/(income)

	2016	2015
	£	£
Exceptional - intercompany loans waived	(2,000,000)	-

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 33 (2015 - 26).

4 Taxation

	2016	2015
	£	£
Deferred tax		
Origination and reversal of timing differences	7,803	9.949
Changes in tax rates	(2,739)	-
Adjustment in respect of prior periods	2,160	-
Total deferred tax	7,224	9,949

5 Intangible fixed assets

	Goodwill	Other	Total
	£	£	£
Cost			
At 1 October 2015	140,000	-	140,000
Additions	-	2,190	2,190
At 30 September 2016	140.000	2,190	142,190
Amortisation and impairment			
At 1 October 2015	140,000	-	140,000
Amortisation charged for the year	-	146	146
At 30 September 2016	140,000	146	140,146
Carrying amount			
At 30 September 2016	-	2,044	2,044
At 30 September 2015	-	-	-

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 October 2015	1,204.121	677,902	1,882,023
Additions	-	75,728	75,728
At 30 September 2016	1,204,121	753,630	1.957.751
Depreciation and impairment			
At 1 October 2015	161,617	503,609	665.226
Depreciation charged in the year	-	42,525	42,525
At 30 September 2016	161,617	546,134	707,751
Carrying amount			
At 30 September 2016	1,042,504	207,496	1,250,000
At 30 September 2015	1,042,504	174,293	1,216,797

The company has not depreciated freehold property and improvements on the grounds that depreciation is insignificant given the 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.

If freehold property 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:

	2016	2015
	£	£
Cost	1,867,366	1,867,366
Accumulated depreciation	-	-
Carrying value	1,867,366	1,867,366

7 Debtors

	2016	2015
Amounts falling due within one year:	**£**	**£**
Trade debtors	22,643	22,914
Amounts due from group undertakings	-	1,580
Other debtors	32,761	31,165
	55,404	55,659

8 Creditors: amounts falling due within one year

	2016	2015
	£	**£**
Amounts due to group undertakings	1,111,139	2,832,284
Other taxation and social security	51,762	42,926
Other creditors	100,209	160,356
	1,263,110	3,035,566

Included within other creditors is a pension creditors for £261 (2015: £15).

9 Provisions for liabilities

	2016	2015
	£	**£**
Deferred tax liabilities	23,321	16,097
	23,321	16,097

10 Called up share capital

	2016	2015
	£	**£**
Ordinary share capital		
Authorised		
1 Ordinary shares of £1 each	1	1
Issued and fully paid		
1 Ordinary shares of £1 each	1	1

11 Financial commitments, guarantees and contingent liabilities

Bank guarantee and group securities:

There is a composite 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 at the period end was £190,137 (2015 - £188,748).

12 Related party transactions

The Company has taken advantage of the exemption under FRS 102 Section 33.1A 'Related Party Transactions' from disclosing transactions with members of the Deckers Hospitality Group Limited. 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.

13 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.

Parental guarantee
The ultimate parent company, Deckers Hospitality Group Limited has given a guarantee under Section 479C of the Companies Act 2006. Pennine Manor Hotel Limited is therefore exempt from the requirements of this Act relating to the audit of individual accounts by virtue of section 479A.

14 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 October 2014 £	30 September 2015 £
Equity as reported under previous UK GAAP		(1,317.830)	(1,576,243)
Adjustments arising from transition to FRS 102:			
Fixed asset impairment	1	(161,617)	(161,617)
Equity reported under FRS 102		(1,479,447)	(1,737.860)

Reconciliation of loss for the financial period

	Notes	2015 £
Loss as reported under previous UK GAAP and under FRS 102		(258.413)
Fixed asset impairment	1	-

Notes to reconciliations on adoption of FRS 102

1 Fixed asset impairment
Upon transition to FRS 102, the directors have taken the decision to revalue tangible fixed assets to open market value which has resulted in an impairment.