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**FOWEY HALL LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2007

Company no 3380573

# **FOWEY HALL LIMITED**

## **FINANCIAL STATEMENTS**

**For the year ended 31 DECEMBER 2007**

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Company registration number	3380573
Registered office	Sixth Floor 90 Fetter Lane London EC4A 1PT
Director	A Davis
Secretary	G D Secretarial Services Limited
Solicitors	Goodman Derrick Sixth Floor 90 Fetter Lane London EC4A 1PT  Kingsley Napley Knights Quarter 14 St Johns Lane London EC1M 4AJ
Auditors	Grant Thornton UK LLP Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

# **FOWEY HALL LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 2007

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# **FOWEY HALL LIMITED**

## **REPORT OF THE DIRECTOR**

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The director presents his report together with the audited financial statements for the year ended 31 December 2007

### **Principal activity**

The principal activity of the company is that of a hotel operator

### **Business review**

On 1 January 2007 the trade, assets and liabilities were transferred to Fowey Hall Hotel Limited and the company became dormant

### **Director**

Mr A Davis is the sole director of the company. He has no interest in the share capital of the company. His interest in the share capital of the parent undertaking is shown in that company's financial statements.

### **Financial risk management objectives and policies**

The company uses various financial instruments. These include loans to and from group undertakings, cash, loans and various items, such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, the principal ones of which are liquidity risk and credit risk.

### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company finances its operations primarily from retained profits and bank borrowings.

### **Credit risk**

The company's principal credit risk relates to the recovery of trade debtors, although it is not considered significant due to the nature of the business. Amounts owing from credit card companies represent a proportion of the group's trade debtors. However, the director considers credit risk to be limited due to the terms of contract the group has with the credit card companies. In order to manage credit risk relating to other trade debtors, subsidiary credit controllers and the director reviews the aged debtors and collection history on a regular basis.

# **FOWEY HALL LIMITED**

## **REPORT OF THE DIRECTOR**

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### **Statement of director's responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

In so far as the director is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that they ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

The director is responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

### **Auditors**

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Paul D Secretarial Services Limited  
Secretary

31st October 2008

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF FOWEY HALL LIMITED**

We have audited the financial statements of Fowey Hall Limited, for the year ended 31 December 2007, which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 director and auditors**

The director's responsibilities for preparing the Director's Report and the financial statements, in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary, in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
FOWEY HALL LIMITED**

**Opinion**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements for the year ended 31 December 2007

*Grant Thornton UK LLP*

**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**LONDON**

*31st October* 2008

## **FOWEY HALL LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **BASIS OF PREPARATION**

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

The principal accounting policies of the company remain unchanged from the previous year and are set out below

#### **GOING CONCERN**

The ultimate holding undertaking has confirmed its intention to continue to support the company for the foreseeable future. As a result, the director has prepared the financial statements on a going concern basis

#### **TURNOVER**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, by equal annual instalments over their expected useful lives. The rates generally applicable are

Fixtures, fittings and equipment     3 to 20 years

#### **STOCK**

Stock is valued at the lower of cost and net realisable value

#### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured, on a non-discounted basis, using rates of tax that have been enacted or substantively enacted by the balance sheet date.



**FOWEY HALL LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 DECEMBER 2007

	<b>Note</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
<b>Turnover</b>	1	-	2,162,344
Cost of sales		-	(386,927)
<b>Gross profit</b>		-	1,775,417
Administrative expenses		-	(1,734,147)
<b>Operating profit</b>		-	41,270
Interest receivable and similar income		-	778
Interest payable and similar charges		-	(1,709)
<b>Profit on ordinary activities before taxation</b>	1	-	40,339
Tax on profit on ordinary activities	2	-	356,419
<b>Profit on ordinary activities after taxation</b>	8	-	396,758

There were no recognised gains or losses other than the profit for the financial year

The accompanying accounting policies and notes form an integral part of these financial statements

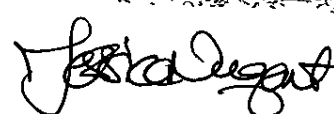
**FOWEY HALL LIMITED****BALANCE SHEET AT 31 DECEMBER 2007**

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	3	-	18,897
<b>Current assets</b>			
Stocks	4	-	30,713
Debtors	5	4,921,326	5,130,132
Cash at bank and in hand		-	2,550
		<u>4,921,326</u>	<u>5,163,395</u>
<b>Creditors: amounts falling due within one year</b>	6	-	(260,966)
<b>Net current assets</b>		<u>4,921,326</u>	<u>4,902,429</u>
<b>Total assets less current liabilities</b>		<u>4,921,326</u>	<u>4,921,326</u>
<b>Capital and reserves</b>			
Called up share capital	7	735,001	735,001
Share premium account	8	345,079	345,079
Profit and loss account	8	<u>3,841,246</u>	<u>3,841,246</u>
<b>Shareholders' funds</b>	9	<u>4,921,326</u>	<u>4,921,326</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Director on *31st October* 2008

 A Davis - Director

  
For CD Secretarial Services Ltd.

The accompanying accounting policies and notes form an integral part of these financial statements

# **FOWEY HALL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 2007

### **1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

The profit on ordinary activities before taxation is stated after charging

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	-	6,250
Depreciation of tangible fixed assets owned	-	-

### **2 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge is based on the profit for the year and represents.

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Deferred tax (credit)/charge	-	(356,419)
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2006 30%)	-	12,102
Effect of		
Depreciation for the period in excess of capital allowances	-	429,536
Income not taxable for tax purposes	-	(430,939)
Utilisation of tax losses	-	(10,699)
Current tax charge for year	-	-

### **3 TANGIBLE FIXED ASSETS**

	<b>Fixtures, fittings and equipment £</b>
<b>Cost</b>	
At 1 January 2007	18,897
Disposals	(18,897)
At 31 December 2007	-
<b>Depreciation</b>	
At 1 January 2007 and at 31 December 2007	-
<b>Net book value</b>	
31 December 2007	-
Net book value	
31 December 2006	18,897

**FOWEY HALL LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 2007

**4 STOCKS**

	2007 £	2006 £
Goods for resale	-	30,713

**5 DEBTORS**

	2007 £	2006 £
Trade debtors	-	20,482
Amounts owed by other group undertakings	4,921,326	5,058,750
Other debtors	-	17,977
Prepayments and accrued income	-	32,923
	<u>4,921,326</u>	<u>5,130,132</u>

**6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Bank loans and overdrafts	-	81,693
Trade creditors	-	76,277
Taxation and social security	-	31,947
Other creditors	-	53,732
Accruals and deferred income	-	17,317
	<u>-</u>	<u>260,966</u>

**7 SHARE CAPITAL**

	2007 £	2006 £
<b>Authorised</b>		
2,020,000 Ordinary shares of 50p each	<u>1,010,000</u>	<u>1,010,000</u>
<b>Allotted, called up and fully paid</b>		
1,470,002 Ordinary shares of 50p each	<u>735,001</u>	<u>735,001</u>

**8 RESERVES**

	Share premium account £	Profit and loss account £
At 1 January 2007	345,079	3,841,246
Retained profit for the year	-	-
At 31 December 2007	<u>345,079</u>	<u>3,841,246</u>

## **FOWEY HALL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 DECEMBER 2007

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#### **9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2007 £	2006 £
Profit for the financial year	-	396,758
Opening shareholders' funds	<u>4,921,326</u>	<u>4,524,568</u>
Closing shareholders' funds	<u>4,921,326</u>	<u>4,921,326</u>

#### **10 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 2007 or 31 December 2006

#### **11 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2007 or 31 December 2006

#### **12 TRANSACTIONS WITH RELATED PARTIES**

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings

There are no other related party transactions

#### **13 CONTROLLING RELATED PARTY**

The immediate parent undertaking is von Essen Hotels 4 Limited and the ultimate parent undertaking is von Essen Mining and Development Corporation (UK) Limited, both companies being registered in England and Wales. The registered office is situated at 90 Fetter Lane, London EC4A 1PT

The ultimate parent undertaking is owned by Mr A Davis

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by von Essen Mining and Development Corporation (UK) Limited