

Registered number. 05500642

FANHAMS HALL HOTEL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 MARCH 2012

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FANHAMS HALL HOTEL LIMITED

COMPANY INFORMATION

Directors	G Pecorelli D L E Pecorelli
Company secretary	C Davies
Company number	05500642
Registered office	Executive Office Pennyhill Park Hotel & Spa Bagshot Surrey GU19 5EU
Auditor	PKF (UK) LLP Pannell House Park Street Guildford Surrey GU1 4HN
Solicitors	Neale Turk Bridge House 27 - 31 Reading Road South Fleet Hampshire GU13 9QP

FANHAMS HALL HOTEL LIMITED

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FANHAMS HALL HOTEL LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 MARCH 2012

The directors present their report and the financial statements for the period ended 28 March 2012. The financial statements are for a period of 52 weeks (2011 - 52 weeks).

Principal activities

The principal activity of the company is the ownership and operation of Fanhams Hall Hotel, Hertfordshire.

Review of business

Fanhams Hall continues its growth and trades well, reporting EBITDA of £1,288,868 (2011 - £914,117). The brand EH Venues is really gaining traction in the market place, this has been helped by the acquisition of the Royal Berkshire Hotel.

Results and dividends

The profit for the period, after taxation, amounted to £492,775 (2011 - £214,001).

The directors have not declared or paid a dividend for the period (2011 - £nil).

Directors

The directors who served during the period were

G Pecorelli
D L E Pecorelli

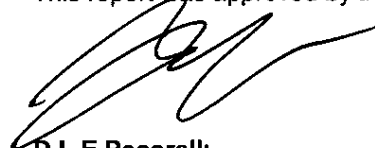
Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing his report and to establish that the company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 14 September 2012 and signed on its behalf



D L E Pecorelli
Director

FANHAMS HALL HOTEL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 28 MARCH 2012

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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

FANHAMS HALL HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANHAMS HALL HOTEL LIMITED

We have audited the financial statements of Fanhams Hall Hotel Limited for the period ended 28 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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 explained more fully in the directors' responsibilities statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 March 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FANHAMS HALL HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANHAMS HALL HOTEL LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

PKF(UK) LLP

Stuart Collins (Senior statutory auditor)
for and behalf of PKF (UK) LLP, Statutory auditor
Guildford, UK
14 September 2012

FANHAMS HALL HOTEL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 28 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER		4,243,518	3,519,595
Cost of sales		<u>(733,152)</u>	<u>(593,082)</u>
GROSS PROFIT		3,510,366	2,926,513
Administrative expenses		<u>(2,714,867)</u>	<u>(2,519,545)</u>
OPERATING PROFIT	2	795,499	406,968
Interest payable and similar charges		<u>(103,169)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		692,330	406,968
Tax on profit on ordinary activities	3	<u>(199,555)</u>	<u>(192,967)</u>
PROFIT FOR THE FINANCIAL PERIOD	11	<u>492,775</u>	<u>214,001</u>

The notes on pages 7 to 12 form part of these financial statements

FANHAMS HALL HOTEL LIMITED
REGISTERED NUMBER: 05500642

BALANCE SHEET
AS AT 28 MARCH 2012

	Note	£	28 March 2012 £	£	30 March 2011 £
FIXED ASSETS					
Intangible assets	4		1,841,764		2,058,431
Tangible assets	5		5,035,641		5,132,090
			<u>6,877,405</u>		<u>7,190,521</u>
CURRENT ASSETS					
Stocks		10,840		11,589	
Debtors amounts falling due after more than one year	6	3,576,206		-	
Debtors amounts falling due within one year	6	344,027		324,786	
Cash at bank and in hand		841,592		321,177	
		<u>4,772,665</u>		<u>657,552</u>	
CREDITORS amounts falling due within one year	7	(1,796,178)		(1,340,067)	
NET CURRENT ASSETS/(LIABILITIES)			<u>2,976,487</u>		<u>(682,515)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,853,892</u>		<u>6,508,006</u>
CREDITORS amounts falling due after more than one year	8		(7,774,824)		(4,880,173)
PROVISIONS FOR LIABILITIES					
Deferred tax	9		(202,862)		(244,402)
NET ASSETS			<u>1,876,206</u>		<u>1,383,431</u>
CAPITAL AND RESERVES					
Called up share capital	10		2,000,000		2,000,000
Profit and loss account	11		(123,794)		(616,569)
SHAREHOLDERS' FUNDS			<u>1,876,206</u>		<u>1,383,431</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 September 2012


D L E Pecorelli
 Director

The notes on pages 7 to 12 form part of these financial statements

FANHAMS HALL HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer. All turnover arises in the United Kingdom

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

The directors have determined that goodwill is to be amortised over 15 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	12.5% reducing balance
Fixtures, fittings and equipment	-	12.5% - 20% straight line

Freehold buildings are maintained to ensure that their value does not diminish over time and maintenance costs are charged to the profit and loss account in the period incurred. In the directors' opinion, the high level of maintenance ensures that the residual value of the buildings is such that depreciation would be immaterial and consequently has not been charged. The buildings are reviewed for impairment at the end of each reporting period.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

FANHAMS HALL HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2012

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period

1.9 Related party disclosure

As a subsidiary undertaking of The Manor House (Castle Combe) Limited, the company has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group

2 OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Amortisation - intangible fixed assets	216,667	216,667
Depreciation of tangible fixed assets		
- owned by the company	276,702	290,482
Auditor's remuneration	7,500	6,213
Pension costs	11,792	13,058

During the period, no director received any emoluments (2011 - £NIL)

FANHAMS HALL HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2012**

3 TAXATION

	2012 £	2011 £
Analysis of tax charge in the period		
Current tax		
UK corporation tax charge on profit for the period	240,907	146,540
Adjustments in respect of prior periods	188	3,467
Total current tax	<u>241,095</u>	<u>150,007</u>
Deferred tax		
Origination and reversal of timing differences	(15,195)	2,711
Adjustments in respect of prior periods	(9,440)	(6,603)
Effect of changes in tax rates	(16,905)	46,852
Total deferred tax (see note 9)	<u>(41,540)</u>	<u>42,960</u>
Tax on profit on ordinary activities	<u><u>199,555</u></u>	<u><u>192,967</u></u>

Factors that may affect future tax charges

See note 9 for explanation of movements on deferred tax. The company will benefit from the reduction in the rate of corporation tax to 26% for the next financial period, and from the proposed reduction to 23% in subsequent periods. There were no other factors that may affect future tax charges.

4. INTANGIBLE FIXED ASSETS

	Intellectual property £	Goodwill £	Total £
Cost			
At 31 March 2011 and 28 March 2012	99	3,250,000	3,250,099
Amortisation			
At 31 March 2011	-	1,191,668	1,191,668
Charge for the period	-	216,667	216,667
At 28 March 2012	-	1,408,335	1,408,335
Net book value			
At 28 March 2012	<u>99</u>	<u>1,841,665</u>	<u>1,841,764</u>
At 30 March 2011	<u>99</u>	<u>2,058,332</u>	<u>2,058,431</u>

FANHAMS HALL HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2012**

5 TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 31 March 2011	3,091,371	2,610,551	790,595	6,492,517
Additions	-	45,574	134,679	180,253
At 28 March 2012	<u>3,091,371</u>	<u>2,656,125</u>	<u>925,274</u>	<u>6,672,770</u>
Depreciation				
At 31 March 2011	-	1,212,237	148,190	1,360,427
Charge for the period	-	180,485	96,217	276,702
At 28 March 2012	<u>-</u>	<u>1,392,722</u>	<u>244,407</u>	<u>1,637,129</u>
Net book value				
At 28 March 2012	<u>3,091,371</u>	<u>1,263,403</u>	<u>680,867</u>	<u>5,035,641</u>
At 30 March 2011	<u>3,091,371</u>	<u>1,398,314</u>	<u>642,405</u>	<u>5,132,090</u>

6 DEBTORS

	28 March 2012 £	30 March 2011 £
Due after more than one year		
Amounts owed by group undertakings	<u>3,576,206</u>	<u>-</u>
Due within one year		
Trade debtors	287,827	267,443
Amounts owed by group undertakings	-	3,998
Prepayments and accrued income	15,649	13,723
Other debtors	40,551	39,622
	<u>344,027</u>	<u>324,786</u>

FANHAMS HALL HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2012

7 CREDITORS

Amounts falling due within one year

	28 March 2012 £	30 March 2011 £
Bank loans	59,683	-
Trade creditors	172,955	165,214
Amounts owed to group undertakings	14,668	-
Corporation tax	241,095	150,007
Social security and other taxes	206,567	144,752
Accruals & deferred income	1,027,009	820,722
Other creditors	74,201	59,372
	<u>1,796,178</u>	<u>1,340,067</u>

8. CREDITORS.

Amounts falling due after more than one year

	28 March 2012 £	30 March 2011 £
Bank loans	2,894,651	-
Amounts owed to group undertakings	4,880,173	4,880,173
	<u>7,774,824</u>	<u>4,880,173</u>

The bank loan is one tranche of an overall loan to Fanhams Hall Limited, Royal Berkshire Limited and South Lodge Limited, fellow group companies, with a total balance at the period end of £19 million. The loan is secured by a cross guaranteed mortgage debenture, incorporating a fixed and floating charge over all of the assets, including a first legal mortgage over freehold land and property of the following group companies: Exclusive Hotel Management Limited, Fanhams Hall Limited, Royal Berkshire Limited and South Lodge Limited.

9 DEFERRED TAXATION

	28 March 2012 £	30 March 2011 £
At beginning of period	244,402	201,442
(Released during)/charge for period	(32,100)	49,563
Adjustment in respect of prior periods	(9,440)	(6,603)
	<u>202,862</u>	<u>244,402</u>

FANHAMS HALL HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2012

9. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	28 March 2012 £	30 March 2011 £
Accelerated capital allowances	<u>202,862</u>	<u>244,402</u>

10 SHARE CAPITAL

	28 March 2012 £	30 March 2011 £
Allotted, called up and fully paid		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

11 RESERVES

	Profit and loss account £
At 31 March 2011	(616,569)
Profit for the period	492,775
	<u>(123,794)</u>
At 28 March 2012	

12 PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,792 (2011 - £13,058). Contributions totalling £877 were payable (2011 - £Nil) to the fund at the balance sheet date.

13 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling party is The Manor House (Castle Combe) Limited, a company registered in England and Wales. This is also the largest and smallest group in which the results of the Company are consolidated. Copies of the group financial statements of The Manor House Hotel (Castle Combe) Limited are available from Executive Office, Pennyhill Park Hotel & Spa, London Road, Bagshot, Surrey GU19 5EU.

Mr G Pecorelli, a director of the company, and his family control 100% of the issued share capital of The Manor House (Castle Combe) Limited.