

Registered number: 05500642

## **FANHAMS HALL HOTEL LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 27 MARCH 2013**

SATURDAY



\*A2IV38EG\*

A25

12/10/2013

#154

COMPANIES HOUSE

## **FANHAMS HALL HOTEL LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	G Pecorelli D L E Pecorelli
<b>Company secretary</b>	C Davies
<b>Registered number</b>	05500642
<b>Registered office</b>	Executive Office Pennyhill Park Hotel & Spa Bagshot Surrey GU19 5EU
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Solicitors</b>	Neale Turk Bridge House 27 - 31 Reading Road South Fleet Hampshire GU13 9QP

# **FANHAMS HALL HOTEL LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Directors' responsibilities</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3 - 4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7 - 12</b>

**FANHAMS HALL HOTEL LIMITED**

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 27 MARCH 2013**

The directors present their report and the financial statements for the period ended 27 March 2013

**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 £1,332,063 (2012 - £1,288,868) 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 £500,877 (2012 - £492,775)

The directors have not declared or paid a dividend for the period (2012 - £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 25<sup>th</sup> Sept 13 and signed on its behalf



**D L E Pecorelli**  
Director

## **FANHAMS HALL HOTEL LIMITED**

### **DIRECTORS' RESPONSIBILITIES**

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, and
- 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 27 March 2013 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 27 March 2013 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial period 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 and the directors' report in accordance with the small companies regime

*BDO LLP*

**Stuart Collins** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

*27 September 2013*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**FANHAMS HALL HOTEL LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 27 MARCH 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>		<b>4,414,174</b>	4,243,518
Cost of sales		<u>(732,634)</u>	<u>(733,152)</u>
<b>GROSS PROFIT</b>		<b>3,681,540</b>	3,510,366
Administrative expenses		<u>(2,838,921)</u>	<u>(2,714,867)</u>
<b>OPERATING PROFIT</b>	2	<b>842,619</b>	795,499
Interest payable and similar charges		<u>(101,759)</u>	<u>(103,169)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>740,860</b>	692,330
Tax on profit on ordinary activities	3	<u>(239,983)</u>	<u>(199,555)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	11	<b><u>500,877</u></b>	<b><u>492,775</u></b>

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

**FANHAMS HALL HOTEL LIMITED**  
**REGISTERED NUMBER 05500642**

**BALANCE SHEET**  
**AS AT 27 MARCH 2013**

		27 March 2013	28 March 2012
	Note	£	£
<b>FIXED ASSETS</b>			
Intangible assets	4	1,625,097	1,841,764
Tangible assets	5	5,092,426	5,035,641
		<u>6,717,523</u>	<u>6,877,405</u>
<b>CURRENT ASSETS</b>			
Stocks		11,056	10,840
Debtors amounts falling due after more than one year	6	3,861,538	3,576,206
Debtors amounts falling due within one year	6	291,992	344,027
Cash at bank and in hand		760,247	841,592
		<u>4,924,833</u>	<u>4,772,665</u>
<b>CREDITORS</b> amounts falling due within one year	7	<u>(1,876,832)</u>	<u>(1,796,178)</u>
<b>NET CURRENT ASSETS</b>		<u>3,048,001</u>	<u>2,976,487</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,765,524</u>	<u>9,853,892</u>
<b>CREDITORS</b> amounts falling due after more than one year	8	(7,212,227)	(7,774,824)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	9	(176,214)	(202,862)
<b>NET ASSETS</b>		<u>2,377,083</u>	<u>1,876,206</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2,000,000	2,000,000
Profit and loss account	11	377,083	(123,794)
<b>SHAREHOLDERS' FUNDS</b>		<u>2,377,083</u>	<u>1,876,206</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



**D L E Pecorelli**  
Director

25<sup>th</sup> Sept 13

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 27 MARCH 2013**

#### **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 27 MARCH 2013

#### 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

	2013 £	2012 £
Amortisation - intangible fixed assets	216,667	216,667
Depreciation of tangible fixed assets - owned by the company	272,777	276,702
Auditor's remuneration	8,600	7,500
Pension costs	15,219	11,792

During the period, no director received any emoluments (2012 - £NIL)

**FANHAMS HALL HOTEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 MARCH 2013**

**3 TAXATION**

	2013 £	2012 £
<b>Analysis of tax charge in the period</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the period	258,458	240,907
Adjustments in respect of prior periods	8,173	188
<b>Total current tax</b>	<u>266,631</u>	<u>241,095</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(18,986)	(15,195)
Adjustments in respect of prior periods	-	(9,440)
Effect of changes in tax rates	(7,662)	(16,905)
<b>Total deferred tax (see note 9)</b>	<u>(26,648)</u>	<u>(41,540)</u>
<b>Tax on profit on ordinary activities</b>	<u><u>239,983</u></u>	<u><u>199,555</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 23% for the next financial period. The Finance Act 2013 introduced a reduction in the rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. Had the amendment been substantially enacted at 27 March 2013 it would have reduced the deferred tax liability of £22,984. There were no other factors that may affect future tax charges.

**4 INTANGIBLE FIXED ASSETS**

	Intellectual property £	Goodwill £	Total £
<b>Cost</b>			
At 29 March 2012 and 27 March 2013	99	3,250,000	3,250,099
<b>Amortisation</b>			
At 29 March 2012	-	1,408,335	1,408,335
Charge for the period	-	216,667	216,667
At 27 March 2013	-	1,625,002	1,625,002
<b>Net book value</b>			
At 27 March 2013	<u>99</u>	<u>1,624,998</u>	<u>1,625,097</u>
At 28 March 2012	<u>99</u>	<u>1,841,665</u>	<u>1,841,764</u>

**FANHAMS HALL HOTEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 27 MARCH 2013**

**5. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant & machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 29 March 2012	3,091,371	2,651,630	929,769	6,672,770
Additions	91,613	40,599	197,350	329,562
At 27 March 2013	<u>3,182,984</u>	<u>2,692,229</u>	<u>1,127,119</u>	<u>7,002,332</u>
<b>Depreciation</b>				
At 29 March 2012	-	1,392,722	244,407	1,637,129
Charge for the period	-	163,000	109,777	272,777
At 27 March 2013	<u>-</u>	<u>1,555,722</u>	<u>354,184</u>	<u>1,909,906</u>
<b>Net book value</b>				
At 27 March 2013	<u>3,182,984</u>	<u>1,136,507</u>	<u>772,935</u>	<u>5,092,426</u>
At 28 March 2012	<u>3,091,371</u>	<u>1,258,908</u>	<u>685,362</u>	<u>5,035,641</u>

**6 DEBTORS**

	27 March 2013 £	28 March 2012 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	<u>3,861,538</u>	<u>3,576,206</u>
<b>Due within one year</b>		
Trade debtors	226,589	287,827
Prepayments and accrued income	9,810	15,649
Other debtors	55,593	40,551
	<u>291,992</u>	<u>344,027</u>

# FANHAMS HALL HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2013

### 7. CREDITORS

Amounts falling due within one year

	27 March 2013 £	28 March 2012 £
Bank loans	105,603	59,683
Trade creditors	218,525	172,955
Amounts owed to group undertakings	-	14,668
Corporation tax	258,646	241,095
Social security and other taxes	187,860	206,567
Accruals & deferred income	1,019,613	1,027,009
Other creditors	86,585	74,201
	<u>1,876,832</u>	<u>1,796,178</u>

### 8 CREDITORS

Amounts falling due after more than one year

	27 March 2013 £	28 March 2012 £
Bank loans	2,323,881	2,894,651
Amounts owed to group undertakings	4,888,346	4,880,173
	<u>7,212,227</u>	<u>7,774,824</u>

The bank loan is repayable in quarterly instalments commencing in June 2012, with the remaining balance being repayable in March 2016. The loan incurs interest at a floating rate of LIBOR plus a variable margin of between 1.875% and 2.75% per annum.

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 £17.9 million (2012: £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

	27 March 2013 £	28 March 2012 £
At beginning of period	202,862	244,402
Released during period	(26,648)	(32,100)
Adjustment in respect of prior periods	-	(9,440)
	<u>176,214</u>	<u>202,862</u>

# FANHAMS HALL HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2013

### 9 DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	27 March 2013 £	28 March 2012 £
Accelerated capital allowances	<u>176,214</u>	<u>202,862</u>

### 10 SHARE CAPITAL

	27 March 2013 £	28 March 2012 £
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 29 March 2012	(123,794)
Profit for the period	<u>500,877</u>
At 27 March 2013	<u>377,083</u>

### 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 £15,219 (2012 - £11,792). Contributions totalling £736 were payable (2012 - £877) 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.