

FANHAMS HALL HOTEL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2010

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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 London Road 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 31 MARCH 2010

The directors present their report and the financial statements for the period ended 31 March 2010

Principal activities

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

Review of business

Fanhams Hall continues to trade well, reporting EBITDA of £666,548 (2009 - £841,872) The brand EH Venues is starting to be recognised in the market place and is a great basis for us to expand this business

We have now completed 52 of the 77 bedrooms within the property and this is helping drive the improved occupancy and average room rate

Results and dividends

The profit for the period, after taxation, amounted to £173,296 (2009 - loss of £118,226)

The directors do not recommend the payment of a dividend (2009 - £nil)

Directors

The directors who served during the period were

G Pecorelli
D L E Pecorelli

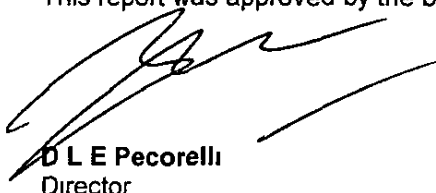
Provision of information to auditor

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

The report of the directors has 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

This report was approved by the board on 3 September 2010 and signed on its behalf



D L E Pecorelli
Director

FANHAMS HALL HOTEL LIMITED

STATEMENT OF 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 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 and disclose with reasonable accuracy at any time the financial position of the company and 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 31 March 2010 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 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 directors and auditors

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 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

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.

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 31 March 2010 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 and the directors' report in accordance with the small companies regime

PKF (UK) LLP

Stuart Collins (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
Guildford, UK

3 September 2010

FANHAMS HALL HOTEL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
TURNOVER		3,159,280	3,289,744
Cost of sales		<u>(552,712)</u>	<u>(532,897)</u>
GROSS PROFIT		2,606,568	2,756,847
Administrative expenses		<u>(2,417,653)</u>	<u>(2,356,952)</u>
OPERATING PROFIT	2	188,915	399,895
Interest payable		<u>(92,645)</u>	<u>(427,342)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		96,270	(27,447)
Tax on profit/(loss) on ordinary activities	3	<u>77,026</u>	<u>(90,779)</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	11	<u>173,296</u>	<u>(118,226)</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 31 MARCH 2010

	Note	£	31 March 2010 £	£	25 March 2009 £
FIXED ASSETS					
Intangible fixed assets	4		2,275,098		2,491,765
Tangible fixed assets	5		4,825,620		4,576,035
			7,100,718		7,067,800
CURRENT ASSETS					
Stocks		10,455		19,907	
Debtors	6	194,332		440,273	
Cash at bank and in hand		311,114		686,414	
		515,901		1,146,594	
CREDITORS: amounts falling due within one year	7	(1,044,823)		(1,414,180)	
NET CURRENT LIABILITIES			(528,922)		(267,586)
TOTAL ASSETS LESS CURRENT LIABILITIES			6,571,796		6,800,214
CREDITORS: amounts falling due after more than one year	8		(5,200,924)		(5,520,000)
PROVISIONS FOR LIABILITIES					
Deferred tax	9		(201,442)		(284,080)
NET ASSETS			1,169,430		996,134
CAPITAL AND RESERVES					
Called up share capital	10		2,000,000		2,000,000
Profit and loss account	11		(830,570)		(1,003,866)
SHAREHOLDERS' FUNDS			1,169,430		996,134

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 3 September 2010.


D. 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 31 MARCH 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements and going concern

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)

At the year end the company reports net current liabilities of £528,922 (2009 - £267,586) Future cashflows are expected to comfortably allow for the payment of all liabilities as they fall due On this basis, the directors are satisfied that it is appropriate to prepare these financial statements on a going concern basis

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	-	12.5% 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 year 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 31 MARCH 2010

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 Related party disclosure

As a subsidiary undertaking of Pennyhill Park Limited, which is a subsidiary 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

	2010 £	2009 £
Amortisation - intangible fixed assets	216,667	216,667
Depreciation of tangible fixed assets		
- owned by the company	260,966	225,310
Auditors' remuneration	7,013	7,800
Pension costs	140	-
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During the period, no director received any emoluments (2009 - £NIL)

FANHAMS HALL HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

3. TAXATION

	2010 £	2009 £
Analysis of tax charge in the period		
Current tax		
UK corporation tax charge on profit/loss for the period	10,500	4,888
Adjustments in respect of prior periods	(4,888)	65,000
Total current tax	<u>5,612</u>	<u>69,888</u>
Deferred tax		
Origination and reversal of timing differences	(10,125)	20,891
Adjustments in respect of prior periods	(1,991)	-
Effect of changes in tax rates	(70,522)	-
Total deferred tax (see note 9)	<u>(82,638)</u>	<u>20,891</u>
Tax on profit/loss on ordinary activities	<u>(77,026)</u>	<u>90,779</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

4. INTANGIBLE FIXED ASSETS

	Intellectual property £	Goodwill £	Total £
Cost			
At 26 March 2009 and 31 March 2010	99	3,250,000	3,250,099
Amortisation			
At 26 March 2009	-	758,334	758,334
Charge for the period	-	216,667	216,667
At 31 March 2010	-	975,001	975,001
Net book value			
At 31 March 2010	<u>99</u>	<u>2,274,999</u>	<u>2,275,098</u>
At 25 March 2009	<u>99</u>	<u>2,491,666</u>	<u>2,491,765</u>

FANHAMS HALL HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Furniture, fittings and equipment £	Total £
Cost				
At 26 March 2009	2,998,857	2,386,157	-	5,385,014
Additions	-	50,818	459,733	510,551
	<u>2,998,857</u>	<u>2,436,975</u>	<u>459,733</u>	<u>5,895,565</u>
At 31 March 2010	2,998,857	2,436,975	459,733	5,895,565
Depreciation				
At 26 March 2009	-	808,979	-	808,979
Charge for the period	-	203,499	57,467	260,966
	<u>-</u>	<u>1,012,478</u>	<u>57,467</u>	<u>1,069,945</u>
At 31 March 2010	-	1,012,478	57,467	1,069,945
Net book value				
At 31 March 2010	<u>2,998,857</u>	<u>1,424,497</u>	<u>402,266</u>	<u>4,825,620</u>
At 25 March 2009	<u>2,998,857</u>	<u>1,577,178</u>	<u>-</u>	<u>4,576,035</u>

6. DEBTORS

	31 March 2010 £	25 March 2009 £
Due after more than one year		
Amounts owed by group undertakings	69,551	78,273
Due within one year		
Trade debtors	103,285	209,531
Prepayments and accrued income	6,345	6,555
Other debtors	15,151	145,914
	<u>194,332</u>	<u>440,273</u>

FANHAMS HALL HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

7. CREDITORS:
Amounts falling due within one year

	31 March 2010 £	25 March 2009 £
Bank loans	-	240,000
Trade creditors	153,650	133,344
Corporation tax	10,500	4,888
Social security and other taxes	95,111	87,457
Accruals & deferred income	771,855	899,220
Other creditors	13,707	49,271
	<u>1,044,823</u>	<u>1,414,180</u>

8. CREDITORS.
Amounts falling due after more than one year

	31 March 2010 £	25 March 2009 £
Bank loans	-	5,520,000
Amounts owed to group undertakings	5,200,924	-
	<u>5,200,924</u>	<u>5,520,000</u>

Creditors include amounts not wholly repayable within 5 years as follows

	31 March 2010 £	25 March 2009 £
Repayable by instalments	-	4,260,000
	<u>-</u>	<u>4,260,000</u>

9. DEFERRED TAXATION

	31 March 2010 £	25 March 2009 £
At beginning of period	284,080	263,189
(Released during)/charge for period	(80,647)	20,891
Other movement	(1,991)	-
	<u>201,442</u>	<u>284,080</u>
At end of period	<u>201,442</u>	<u>284,080</u>

The provision for deferred taxation is made up as follows

	31 March 2010 £	25 March 2009 £
Accelerated capital allowances	<u>201,442</u>	<u>284,080</u>

FANHAMS HALL HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2010

10. SHARE CAPITAL

	31 March 2010 £	25 March 2009 £
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 26 March 2009	(1,003,866)
Profit for the period	<u>173,296</u>
At 31 March 2010	<u>(830,570)</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 £140 (2009 - £NIL). No contributions totalling were payable (2009 - £NIL) to the fund at the balance sheet date.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Pennyhill Park Limited, incorporated in Great Britain and registered in England and Wales.

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.