

Fanhams Hall Hotel Limited

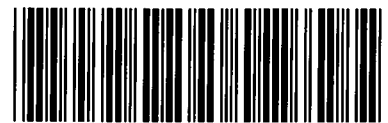
Directors' Report and Financial Statements

Period Ended

1 April 2018

Company Number 05500642

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Fanhams Hall Hotel Limited

Company Information

Directors	D L E Pecorelli J Tomlin
Company secretary	C L Davies
Registered number	05500642
Registered office	Executive Office Pennyhill Park Hotel & Spa London Road Bagshot Surrey GU19 5EU
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Solicitors	Herrington and Carmichael Solicitors Waters Edge Riverside Way Watchmoor Park Camberley Surrey GU15 3YL

Fanhams Hall Hotel Limited

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Fanhams Hall Hotel Limited

Directors' Report For the Period Ended 1 April 2018

The directors present their report together with the audited financial statements for the period ended 1 April 2018.

Principal activity

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

Directors

The directors who served during the period were:

D L E Pecorelli
J Tomlin

Disclosure 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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 24th September 2018 and signed on its behalf.



D L E Pecorelli
Director

Fanhams Hall Hotel Limited

Directors' Responsibilities For the Period Ended 1 April 2018

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 judgements 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 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

Opinion

We have audited the financial statements of Fanhams Hall Hotel Limited (the "company") for the period ended 1 April 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 April 2018 and of its loss for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Fanhams Hall Hotel Limited

Independent Auditor's Report to the Members of Fanhams Hall Hotel Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Fanhams Hall Hotel Limited

Independent Auditor's Report to the Members of Fanhams Hall Hotel Limited (continued)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Stuart Collins (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 27 September 2018

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

Fanhams Hall Hotel Limited

Statement of Comprehensive Income For the Period Ended 1 April 2018

	Note	2018 £	2017 £
Turnover		4,561,538	4,343,284
Cost of sales		(805,926)	(764,340)
Gross profit		3,755,612	3,578,944
Administrative expenses		(3,912,606)	(3,634,288)
Operating loss	4	(156,994)	(55,344)
Interest receivable and similar income		-	41
Interest payable and similar expenses		(41,771)	(44,504)
Loss before tax		(198,765)	(99,807)
Tax on loss	6	22,345	3,531
Loss for the financial period		(176,420)	(96,276)

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 9 to 19 form part of these financial statements.

Fanhams Hall Hotel Limited


Registered number: 05500642

Statement of Financial Position As at 1 April 2018

	Note	1 April 2018 £	1 April 2018 £	29 March 2017 £	29 March 2017 £
Fixed assets					
Intangible assets	7		541,763		758,429
Tangible assets	8		4,130,613		4,823,605
			<u>4,672,376</u>		<u>5,582,034</u>
Current assets					
Stocks	9	15,795		16,253	
Debtors: amounts falling due after more than one year	10	5,452,679		4,570,098	
Debtors: amounts falling due within one year	10	423,361		295,249	
Cash at bank and cash equivalents		723,412		1,034,638	
		<u>6,615,247</u>		<u>5,916,238</u>	
Creditors: amounts falling due within one year	11	(1,627,402)		(1,521,047)	
Net current assets			<u>4,987,845</u>		<u>4,395,191</u>
Total assets less current liabilities			<u>9,660,221</u>		<u>9,977,225</u>
Creditors: amounts falling due after more than one year	12		(6,385,695)		(6,473,081)
Provisions for liabilities					
Deferred tax	13		-		(16,298)
Net assets			<u><u>3,274,526</u></u>		<u><u>3,487,846</u></u>
Capital and reserves					
Called up share capital	14		2,000,000		2,000,000
Profit and loss account	15		1,274,526		1,487,846
			<u><u>3,274,526</u></u>		<u><u>3,487,846</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

 24th September 2018

D L E Pecorelli
Director

The notes on pages 9 to 19 form part of these financial statements.

Fanhams Hall Hotel Limited

Statement of Changes in Equity For the Period Ended 1 April 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 30 March 2017	2,000,000	1,487,846	3,487,846
Comprehensive income for the period			
Loss for the period	-	(176,420)	(176,420)
Total comprehensive income for the period	-	(176,420)	(176,420)
Distribution	-	(36,900)	(36,900)
At 1 April 2018	2,000,000	1,274,526	3,274,526

Statement of Changes in Equity For the Period Ended 29 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 31 March 2016	2,000,000	1,604,122	3,604,122
Comprehensive income for the period			
Loss for the period	-	(96,276)	(96,276)
Total comprehensive income for the period	-	(96,276)	(96,276)
Contributions by and distributions to owners			
Distribution	-	(20,000)	(20,000)
Total transactions with owners	-	(20,000)	(20,000)
At 29 March 2017	2,000,000	1,487,846	3,487,846

The notes on pages 9 to 19 form part of these financial statements.

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

1. General information

Fanhams Hall Hotel Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the principal activity is set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Future cash flows 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.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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.

2.3 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.4 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Related party disclosures

As a subsidiary of The Manor House Hotel (Castle Combe) Limited the company has taken advantage of the exemption allowed under FRS 102 Section 33.1A not to disclose transactions with other members of the group.

2.9 Intangible assets

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.

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	12.5% straight line
Fixtures, fittings & equipment	-	12.5% - 20% straight line
Computer & IT	-	33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Freehold buildings are maintained to ensure that their value does not diminish over time and maintenance costs are charged to the statement of comprehensive income 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.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in statement of comprehensive income.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

2. Accounting policies (continued)

2.15 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such as a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Interest is imputed on the company's long term intercompany loans. Factors taken into account in reaching the imputed interest rate include the company's cost of external borrowing and the terms and conditions of the intercompany loans.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 8)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	787,678	771,389
Amortisation of intangible assets	216,666	216,667
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	6,000	6,000
Defined pension contributions	10,610	12,902

Directors are remunerated by a fellow subsidiary undertaking, Pennyhill Park Limited.

5. Employees

The average monthly number of employees, including directors, during the period was 52 (2017 - 48).

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

6. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the period	75,994	88,192
Adjustments in respect of previous periods	(611)	1,410
Total current tax	75,383	89,602
Deferred tax		
Origination and reversal of timing differences	(98,247)	(89,974)
Effect of increased tax rate on opening liability	-	(6,251)
Adjustment in respect of prior periods	519	3,092
Total deferred tax	(97,728)	(93,133)
Taxation on loss on ordinary activities	(22,345)	(3,531)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(198,765)	(99,807)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(37,765)	(19,961)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,076	2,393
Adjustments to tax charge in respect of prior periods	(611)	1,410
Adjustments to tax charge in respect of prior periods - deferred tax	519	3,092
Adjustments to tax in respect of changes in tax rates - deferred tax	11,541	9,635
Non-taxable income	-	(9)
Deferred tax not recognised	(153)	(10)
Transfer pricing adjustments	3,048	(81)
Total tax charge for the period	(22,345)	(3,531)

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

6. Taxation (continued)

Factors that may affect future tax charges

See note 13 for explanation of movements on deferred tax. Changes to the UK corporation tax rates were substantively enacted as part of Summer Budget 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

7. Intangible assets

	Intellectual property £	Goodwill £	Total £
Cost			
At 30 March 2017 and 1 April 2018	99	3,250,000	3,250,099
Amortisation			
At 30 March 2017	-	2,491,670	2,491,670
Charge for the period	-	216,666	216,666
At 1 April 2018	-	2,708,336	2,708,336
Net book value			
At 1 April 2018	99	541,664	541,763
At 29 March 2017	99	758,330	758,429

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

8. Tangible fixed assets

	Freehold property £	Plant & machinery £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 30 March 2017	3,396,521	2,877,281	1,978,433	125,588	8,377,823
Additions	-	27,292	52,576	14,818	94,686
At 1 April 2018	<u>3,396,521</u>	<u>2,904,573</u>	<u>2,031,009</u>	<u>140,406</u>	<u>8,472,509</u>
Depreciation					
At 30 March 2017	-	2,340,927	1,140,716	72,575	3,554,218
Charge for the period	-	347,892	400,218	39,568	787,678
At 1 April 2018	<u>-</u>	<u>2,688,819</u>	<u>1,540,934</u>	<u>112,143</u>	<u>4,341,896</u>
Net book value					
At 1 April 2018	<u>3,396,521</u>	<u>215,754</u>	<u>490,075</u>	<u>28,263</u>	<u>4,130,613</u>
At 29 March 2017	<u>3,396,521</u>	<u>536,354</u>	<u>837,717</u>	<u>53,013</u>	<u>4,823,605</u>

9. Stocks

	1 April 2018 £	29 March 2017 £
Finished goods and goods for resale	<u>15,795</u>	<u>16,253</u>

Stocks are valued at cost on a first in, first out basis. The replacement cost of stocks at 1 April 2018 and 29 March 2017 was not materially different from the amount at which they are included in the accounts.

No stock was impaired or written off in the current or previous period.

Stock recognised in cost of sales during the period as an expense was £598,570 (2017: £550,614).

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

10. Debtors

	1 April 2018 £	29 March 2017 £
Due after more than one year		
Amounts owed by group undertakings	5,452,679	4,570,098
	1 April 2018 £	29 March 2017 £
Due within one year		
Trade debtors	242,307	191,799
Amounts owed by group undertakings	30,519	-
Other debtors	69,105	86,082
Prepayments and accrued income	-	17,368
Deferred taxation	81,430	-
	423,361	295,249

The intercompany loans are interest free and are repayable on a rolling 366 day basis. The loans are carried at amortised cost using an imputed interest rate of 4%.

The impairment loss in respect of trade debtors recognised in profit or loss for the period in respect of bad and doubtful trade debtors was £3,802 (2017: £2,928).

11. Creditors: Amounts falling due within one year

	1 April 2018 £	29 March 2017 £
Bank loans	110,000	-
Trade creditors	137,904	99,054
Amounts owed to group undertakings	72,262	-
Corporation tax	74,108	86,306
Other taxation and social security	158,512	184,094
Other creditors	10,084	76,223
Accruals and deferred income	1,064,532	1,075,370
	1,627,402	1,521,047

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

12. Creditors: Amounts falling due after more than one year

	1 April 2018 £	29 March 2017 £
Bank loans	1,776,964	1,882,619
Amounts owed to group undertakings	4,608,731	4,590,462
	<u>6,385,695</u>	<u>6,473,081</u>

The bank loan is repayable in quarterly instalments commencing in June 2018, with the remaining balance being repayable in May 2021. The loan incurs interest at a floating rate of LIBOR plus a variable margin of between 1.875% and 2.5% per annum.

The bank loan is one tranche of an overall loan to Fanhams Hall Hotel Limited, Royal Berkshire Hotel Limited and South Lodge Limited, fellow group companies, with a total balance at the period end of £18.2 million (2017: £14.7 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: Fanhams Hall Hotel Limited, Royal Berkshire Hotel Limited and South Lodge Limited.

The intercompany loans are interest free and are repayable on a rolling 366 day basis. The loans are carried at amortised cost using an imputed interest rate of 4%.

13. Deferred taxation

	2018 £
At beginning of year	16,298
Charged to profit or loss	97,728
At end of year	<u>(81,430)</u>

The deferred taxation balance is made up as follows:

	1 April 2018 £	29 March 2017 £
Accelerated capital allowances	<u>(81,430)</u>	<u>16,298</u>

Fanhams Hall Hotel Limited

Notes to the Financial Statements For the Period Ended 1 April 2018

14. Share capital

	1 April 2018 £	29 March 2017 £
Allotted, called up and fully paid		
2,000,000 ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

15. Reserves

The company has the following reserves:

Profit & loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

16. 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 £10,610 (2017: £13,089). Contributions totalling £23 (2017: £Nil) were payable to the fund at the statement of financial position date.

17. Controlling party

The ultimate parent company and controlling party is The Manor House Hotel (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 8. Spa, London Road, Bagshot, Surrey GU19 5EU.

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