

Co
House

CHEWTON GLEN HOTELS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001

Company No. 00864881



CHEWTON GLEN HOTELS LIMITED

COMPANY INFORMATION

Directors	Mr M Skan Mrs B Skan Mr T P Crome
Secretary	Mr M Rice
Company number	00864881
Registered office	Chewton Glen Hotel New Milton Hampshire BH25 6QS
Auditors	Bolden & Long 36a Goring Road Worthing West Sussex BN12 4AD
Solicitors	Lester Aldridge Russell House Oxford Road Bournemouth Dorset BH8 8EX
Bankers	National Westminster Bank Plc 5 Old Christchurch Road The Square Bournemouth Dorset BH1 1DU

CHEWTON GLEN HOTELS LIMITED

CONTENTS

	Page
Directors' report	1 to 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 to 14
<i>The following pages do not form part of the statutory financial statements</i>	
Management profit and loss account	15 to 16

CHEWTON GLEN HOTELS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2001

The directors present their report and the audited financial statements for the company for the year ended 31st March 2001.

Principal activities and review of business

The company's principal activity continued to be that of operating Chewton Glen Hotel, New Milton, Hampshire. The directors report with pleasure another profitable year. The ever increasing costs of maintaining the hotel to an appropriate standard continue to put pressure on resources but the directors view the future with some optimism.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory.

No ordinary dividend is recommended. (2000: Nil).

The directors consider the state of the company's affairs to be satisfactory.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st March 2001	At 1st April 2000
Mr M Skan	Ordinary shares of £1 each	70,100	70,100
	Preference shares of £1 each	65,000	65,000
Mrs B Skan	Ordinary shares of £1 each	-	-
	Preference shares of £1 each	-	-
Mr T P Crome	Ordinary shares of £1 each	-	-
	Preference shares of £1 each	-	-

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 proper accounting records which 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 1985. 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.

CHEWTON GLEN HOTELS LIMITED

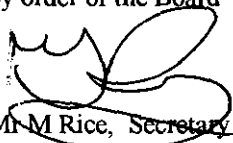
DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2001

Auditors

A resolution to re-appoint Bolden & Long Chartered Accountants and Registered Auditors as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Mr M Rice, Secretary
Chewton Glen Hotel
New Milton
Hampshire
BH25 6QS
10th December 2001

AUDITORS' REPORT TO THE SHAREHOLDERS OF CHEWTON GLEN HOTELS LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2001 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bolden & Long
Chartered Accountants and Registered Auditors
36a Goring Road
Worthing
West Sussex
BN12 4AD
Date: 10th December 2001

CHEWTON GLEN HOTELS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2001

	Notes	2001 £	2000 £
Turnover	2	8,301,555	7,799,066
Cost of sales		(1,202,503)	(1,194,035)
Gross profit		7,099,052	6,605,031
Administrative expenses		(5,354,761)	(5,212,183)
Operating profit	3	1,744,291	1,392,848
Interest receivable	4	8,343	3,677
Interest payable and similar charges	5	(85,157)	(78,812)
Profit on ordinary activities before taxation		1,667,477	1,317,713
Tax on profit on ordinary activities	7	(507,987)	(397,382)
Profit for the financial year		1,159,490	920,331
Dividends	8	(5,850)	(5,850)
Retained profit for the year		1,153,640	914,481
Retained profit brought forward		4,393,126	3,478,645
Retained profit carried forward		5,546,766	4,393,126

All amounts relate to continuing activities.

There were no recognised gains or losses for 2001 or 2000 other than those included in the profit and loss account.


CHEWTON GLEN HOTELS LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	9		9,400,322		7,848,572
Current assets					
Stocks	10	148,281		140,517	
Debtors	11	244,794		588,692	
Cash at bank and in hand		13,119		11,926	
		406,194		741,135	
Creditors: amounts falling due within one year	12	(3,216,892)		(2,858,785)	
Net current liabilities			(2,810,698)		(2,117,650)
Total assets less current liabilities			6,589,624		5,730,922
Creditors: amounts falling due after more than one year	13		-		(374,481)
Provisions for liabilities and charges					
Deferred taxation	15		(902,858)		(823,315)
			5,686,766		4,533,126
Capital and reserves					
Share capital - equity	16		75,000		75,000
Share capital - non equity	16		65,000		65,000
Profit and loss account			5,546,766		4,393,126
Shareholders' funds					
Equity		5,686,766		4,533,126	
Shareholders' funds	17		5,686,766		4,533,126

These financial statements were approved by the board on 10th December 2001 and signed on its behalf by:



Mr M Skan
Director

CHEWTON GLEN HOTELS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2001

	Notes	2001 £	2000 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		1,744,291	1,392,848
Depreciation		490,573	471,875
Profit on sale of fixed assets		(561)	(7,500)
Increase in stocks		(7,764)	(3,471)
Decrease/Increase in debtors		343,898	(413,311)
Decrease/Increase in creditors		(83,473)	373,444
Net cash inflow from operating activities		2,486,964	1,813,885
CASH FLOW STATEMENT			
Net cash inflow from operating activities		2,486,964	1,813,885
Returns on investments and servicing of finance	22	(82,664)	(80,985)
Taxation		(336,185)	(258,983)
Capital expenditure and financial investment	22	(2,041,762)	(1,075,337)
Cash inflow before use of liquid resources and financing		26,353	398,580
Financing	22	(374,481)	(1,665,101)
Decrease in cash		(348,128)	(1,266,521)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the year		(348,128)	(1,266,521)
Cash outflow from decrease in net debt and lease financing	23	374,481	1,665,101
Decrease in net debt		26,353	398,580
Net debt at 1st April 2000	23	(1,235,172)	(1,633,751)
Net debt at 31st March 2001		(1,208,819)	(1,235,171)

CHEWTON GLEN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

1 Accounting policies

Basis of accounting

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

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets, over its expected useful life, by the methods specified below. The rates and periods generally applicable are:

Plant and equipment	15% per annum on reducing balance
Floor coverings	25% per annum on reducing balance
Motor vehicles	20% per annum on cost
Freehold land and buildings	1% per annum on cost

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Contribution to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

CHEWTON GLEN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

The operating profit is stated after charging or crediting:

	2001	2000
	£	£
Depreciation of tangible fixed assets:		
-owned assets	490,573	471,875
Profit on disposal of fixed assets	(561)	(7,500)
Operating leases:		
-plant and equipment	15,272	19,371
Auditors' remuneration	14,000	14,000

4 Interest receivable

	2001	2000
	£	£
Other interest receivable	8,343	3,677

5 Interest payable and similar charges

	2001	2000
	£	£
Interest payable on bank loans and overdrafts	84,553	69,613
Interest payable on other loans	604	9,199
	85,157	78,812

CHEWTON GLEN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

6 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2001	2000
	£	£
Wages and salaries	2,710,166	2,734,407
Social security costs	258,590	242,346
Other pension costs	42,864	65,975
Other costs	170,663	148,272
	<u>3,182,283</u>	<u>3,191,000</u>

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
	Number	Number
	182	179

Directors' emoluments

	2001	2000
	£	£
Aggregate emoluments	465,299	693,605
Directors' pension contributions under defined contribution schemes	32,081	44,122
	<u>497,380</u>	<u>737,727</u>

Retirement benefits were accruing to directors as follows:

	2001	2000
	Number	Number
Defined contribution pension scheme	3	3

Highest paid director

	2001	2000
	£	£
Aggregate emoluments	211,293	307,897
Contributions to a money purchase pension scheme	20,890	20,890
	<u>232,183</u>	<u>328,787</u>

7 Taxation

Based on the profit for the year:

	2001	2000
	£	£
UK corporation tax at 30% (2000 31%)	428,444	330,966
Deferred tax charge	79,543	66,416
	<u>507,987</u>	<u>397,382</u>

CHEWTON GLEN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

8	Dividends			2001	2000
				£	£
	Non equity dividends				
	Preference dividends - paid			5,850	5,850
9	Tangible fixed assets				
		Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	Cost	£	£	£	£
	At 1st April 2000	5,574,200	6,730,033	143,040	12,447,273
	Additions	1,499,877	542,446	-	2,042,323
	Disposals	-	(561)	-	(561)
	At 31st March 2001	7,074,077	7,271,918	143,040	14,489,035
	Depreciation				
	At 1st April 2000	52,481	4,490,237	55,983	4,598,701
	Charge for the year	66,224	401,942	22,407	490,573
	Disposals	-	(561)	-	(561)
	At 31st March 2001	118,705	4,891,618	78,390	5,088,713
	Net book value				
	At 31st March 2001	6,955,372	2,380,300	64,650	9,400,322
	At 31st March 2000	5,521,719	2,239,796	87,057	7,848,572
	The land and buildings were last professionally valued on 31st August 1991 at £7,500,000 by G. Bennett FSVA of Thompson & Bryan of 111 Piccadilly Manchester M1 2HY.				
10	Stocks			2001	2000
				£	£
	Goods for resale			148,281	140,517
11	Debtors			2001	2000
				£	£
	Trade debtors			167,617	227,969
	Other debtors			1,312	11,093
	Prepayments and accrued income			75,865	117,233
	Directors' loan accounts			-	232,397
				244,794	588,692

CHEWTON GLEN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

12	Creditors: amounts falling due within one year	2001 £	2000 £
	Other loans (Note 14)	30,000	30,000
	Bank overdraft (Note 14)	1,191,938	842,617
	Trade creditors	167,333	192,728
	Corporation tax	421,304	329,045
	Other taxes and social security	418,077	155,135
	Other creditors	777,209	313,742
	Accruals and deferred income	194,760	995,518
	Directors' current accounts	16,271	-
		<u>3,216,892</u>	<u>2,858,785</u>

13	Creditors: amounts falling due after more than one year	2001 £	2000 £
	Bank loan (Note 14)	-	374,481

14	Loans and borrowings		
	Analysis of loans		
	Other loans	30,000	30,000
	Bank loans and overdraft	1,191,938	1,217,098
		<u>1,221,938</u>	<u>1,247,098</u>

15 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2001 £	2000 £
At 1st April 2000	823,315	756,899
Movement in the year	79,543	66,416
At 31st March 2001	<u>902,858</u>	<u>823,315</u>

There is no unprovided deferred tax.

	Amount provided	
	2001 £	2000 £
Accelerated capital allowances	<u>902,858</u>	<u>823,315</u>

CHEWTON GLEN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

16	Share capital	2001	2000
		£	£
	Authorised		
	Equity shares		
	75,000 Ordinary shares of £1.00 each	75,000	75,000
	Non equity shares		
	65,000 10% Cumulative Preference shares of £1.00 each	65,000	65,000
		<u>140,000</u>	<u>140,000</u>
	Allotted		
	Equity shares		
	75,000 Allotted, called up and fully paid ordinary shares of £1.00 each	75,000	75,000
	Non equity shares		
	65,000 Preference shares of £1.00 each	65,000	65,000
		<u>140,000</u>	<u>140,000</u>
17	Reconciliation of movement in shareholders' funds	2001	2000
		£	£
	Profit for the financial year	1,159,490	920,331
	Dividends	(5,850)	(5,850)
	Increase in the shareholders' funds	1,153,640	914,481
	Opening shareholders' funds	4,533,126	3,618,645
	Closing shareholders' funds	<u>5,686,766</u>	<u>4,533,126</u>
18	Operating lease commitments		
	At 31st March 2001 the company had annual commitments under non-cancellable operating leases as set out below:		
		2001	2000
		£	£
	Operating leases which expire:		
	Within one year	4,745	4,745
	Between two and five years	5,931	5,931
19	Capital commitments		
	The company had the following capital commitments:	2001	2000
		£	£
	Contracted for but not provided in the financial statements	<u>220,000</u>	<u>1,705,000</u>

CHEWTON GLEN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

20 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £42,864 (2000: £65,975).

21 Control

In the directors' opinion the company is controlled by M. Skan, the Chairman, by virtue of his shareholding which represents 93.467% of the issued share capital.

22 Gross cash flows

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	8,343	3,677
Interest paid	(85,157)	(78,812)
Preference dividend paid	(5,850)	(5,850)
	<u>(82,664)</u>	<u>(80,985)</u>
 Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(2,042,323)	(1,082,837)
Proceeds from the sale of tangible fixed assets	561	7,500
	<u>(2,041,762)</u>	<u>(1,075,337)</u>
 Financing		
Decrease in other loans due within one year	-	-
Decrease in bank loans due in more than one year	(374,481)	(1,665,101)
	<u>(374,481)</u>	<u>(1,665,101)</u>

CHEWTON GLEN HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

23 Analysis of changes in net debt

	2000	Cash flows	2001
	£	£	£
Cash at bank and in hand	11,926	1,193	13,119
Overdrafts	(842,617)	(349,321)	(1,191,938)
	(830,691)	(348,128)	(1,178,819)
Debt due within one year	(30,000)	-	(30,000)
Debt due after one year	(374,481)	374,481	-
	(404,481)	374,481	(30,000)
	(1,235,172)	26,353	(1,208,819)