

# GOODWOOD PARK HOTEL LIMITED

## REPORT & ACCOUNTS

25 February 1995



Registered number 1326672

Group Accounts  
30-Aug-95



# GOODWOOD PARK HOTEL LIMITED

**DIRECTORS:** Mr A C Parker (Chairman)  
The Duke of Richmond  
Mr R N Fabricius  
Mr R McKevitt (Resigned 3 April 1995)  
Mr G R L Windle  
Earl of March  
Mr S Fenwick (Resigned 13 September 1994)  
Mr S Sheard (Resigned 23 May 1995)  
Mr S A Guest (Appointed 8 December 1994)  
Mr G D Hearn (Appointed 27 March 1995)

**SECRETARY:** Miss M Buxton - Smith

**AUDITORS:** Ernst & Young  
400 Capability Green  
Luton  
LU1 3LU

**BANKERS:** National Westminster Bank plc  
32 Corn Street  
Bristol  
Avon  
BS99 7UG

**REGISTERED OFFICE:** Chiswell Street  
London  
EC1Y 4SD

**REGISTERED NUMBER:** 1326672

## **DIRECTORS' REPORT**

### **Accounts**

The Directors submit to the shareholders their report and accounts for the year ended 25 February 1995.

### **Principal activity and review of business development**

The principal activity of the company during the year was the operation of an hotel and golf club. The company intends to continue this activity for the foreseeable future.

### **Results and dividends**

Trading conditions for the hotel industry remained difficult throughout the year although there were more positive signs in the latter months which have continued into the early part of the current financial year. Increased investment in marketing was made to ensure the company is well placed for the future.

The profit for the year after tax amounted to £433,142 (1993/94 - £474,398). The directors do not recommend the payment of a dividend.

The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future, and have therefore used the going concern basis in preparing the financial statements.

### **Donations**

During the year the company contributed £516 (1993/94 - nil) for charitable purposes.

### **Directors**

The Directors of the company at the date of this report are listed on page 1.

### **Directors' interests**

According to the register maintained as required under the Companies Act 1985, the beneficial interests of the directors in shares and options over the ordinary shares in the holding company, Whitbread PLC including shares held under the Whitbread PLC Share Ownership Scheme are as follows:

|                 | <u>25 February 1995</u> | <u>27 February 1994</u> |
|-----------------|-------------------------|-------------------------|
| Ordinary shares |                         |                         |
| A C Parker      | 252                     | 250                     |
| G R L Windle    | 12,140                  | 10,029                  |
| S Sheard        | 2,740                   | 300                     |

**DIRECTORS' REPORT****Directors' interests (continued)**

Options over ordinary shares

During the year the following movements in options over the ordinary share capital of the holding company, Whitbread PLC, took place:-

|              |   | <u>Options held</u><br><u>at 27.02.94</u> | <u>Options granted</u> |              | <u>Options exercised</u> |              | <u>Options held</u><br><u>at 25.02.95</u> |
|--------------|---|---|------------------------|--------------|--------------------------|--------------|---|
|              |   |   | <u>Number</u>          | <u>Price</u> | <u>Number</u>            | <u>Price</u> |   |
| A C Parker   | a | 84,500                                    | 12,500                 | 537.6p       | -                        | -            | 97,000                                    |
| G R L Windle | a | 17,800                                    | 17,300                 | 537.6p       | -                        | -            | 35,100                                    |
|              | b | 4,370                                     | 1,363                  | 440.0p       | 1,877                    | 319.5p       | 3,856                                     |
| S Sheard     | a | 9,700                                     | 11,000                 | 537.6p       | -                        | -            | 20,700                                    |
|              | b | 716                                       | -                      | -            | -                        | -            | 716                                       |

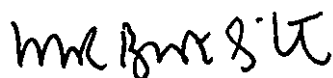
(a) the Executive Share Option Scheme

(b) the Savings Related Option Scheme

**Auditors**

Ernst & Young have expressed their willingness to continue in office as auditors of the company and a resolution proposing their reappointment will be put to the members at the Annual General Meeting.

By order of the board



SECRETARY

4 October 1995

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS**

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on page 5, is made with a view to distinguishing the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **REPORT OF THE AUDITORS**

**to the members of Goodwood Park Hotel Limited**

We have audited the accounts on pages 6 to 13 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

### **Respective responsibilities of directors and auditors**

As described on page 4, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 information in the accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 25 February 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Luton

11 October 1995

1995

**PROFIT AND LOSS ACCOUNT****Year ended 25 February 1995**

|                                     | Notes | <u>1994/95</u><br>£   | <u>1993/94</u><br>£   |
|-------------------------------------|-------|-----------------------|-----------------------|
| <b>TURNOVER</b>                     |       | 3,251,141             | 3,139,106             |
| Cost of sales                       |       | (2,398,802)           | (2,348,874)           |
| <b>GROSS PROFIT</b>                 |       | <u>852,339</u>        | <u>790,232</u>        |
| Administrative expenses             |       | (261,156)             | (158,132)             |
| <b>OPERATING PROFIT</b>             | 1     | <u>591,183</u>        | <u>632,100</u>        |
| Bank overdraft interest             |       | (6)                   | -                     |
| Interest receivable                 |       | 30,181                | 32,889                |
| <b>PROFIT BEFORE TAXATION</b>       |       | <u>621,358</u>        | <u>664,989</u>        |
| Taxation                            | 2     | (188,216)             | (190,591)             |
| <b>RETAINED PROFIT FOR THE YEAR</b> | 9     | <u><u>433,142</u></u> | <u><u>474,398</u></u> |

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****Year ended 25 February 1995**

|  |                       |                       |
|--|-----------------------|-----------------------|
| <b>PROFIT EARNED FOR ORDINARY SHAREHOLDERS</b>                       | 433,142               | 474,398               |
| Unrealised deficit on revaluation of fixed assets                    | (110,210)             | -                     |
| <b>TOTAL GAINS AND LOSSES RECOGNISED SINCE<br/>PREVIOUS YEAR END</b> | <u><u>322,932</u></u> | <u><u>474,398</u></u> |

**BALANCE SHEET**25 February 1995

|   | Notes | 1995<br>£               | 1994<br>£               |
|---|-------|-------------------------|-------------------------|
| <b>FIXED ASSETS</b>   |       |                         |                         |
| Tangible assets   | 3     | <u>7,502,755</u>        | <u>7,685,550</u>        |
| <b>CURRENT ASSETS</b>   |       |                         |                         |
| Stocks  | 4     | 31,645                  | 36,951                  |
| Debtors   | 5     | 139,736                 | 163,358                 |
| Cash at bank and in hand  |       | <u>444,649</u>          | <u>580,576</u>          |
|   |       | 616,030                 | 780,885                 |
| <b>CREDITORS - amounts falling due within<br/>one year</b>          | 6     | <u>(847,874)</u>        | <u>(1,032,456)</u>      |
| <b>NET CURRENT LIABILITIES</b>                                      |       | <u>(231,844)</u>        | <u>(251,571)</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                        | -     | 7,270,911               | 7,433,979               |
| <b>CREDITORS - amounts falling due after<br/>more than one year</b> | 7     | <u>(2,534,708)</u>      | <u>(3,020,708)</u>      |
| <b>TOTAL ASSETS LESS LIABILITIES</b>                                |       | <u><u>4,736,203</u></u> | <u><u>4,413,271</u></u> |
| <b>CAPITAL AND RESERVES</b>   |       |                         |                         |
| Called up share capital   | 8     | 100,000                 | 100,000                 |
| Revaluation reserve   | 9     | 2,079,565               | 2,189,775               |
| Profit and loss account   | 9     | <u>2,556,638</u>        | <u>2,123,496</u>        |
| <b>SHAREHOLDERS' FUNDS</b>  | 10    | <u><u>4,736,203</u></u> | <u><u>4,413,271</u></u> |



Director

A C PARKER

4 October

1995



**CASH FLOW STATEMENT****Year ended 25 February 1995**

|   | Notes | <u>1994/95</u> |                  | <u>1993/94</u> |                 |
|---|-------|----------------|------------------|----------------|-----------------|
|   |       | £              | £                | £              | £               |
| <b>OPERATING ACTIVITIES</b>   |       |                |                  |                |                 |
| Operating profit  |       |                | 591,183          |                | 632,100         |
| Depreciation  | 3     |                | 194,704          |                | 192,822         |
| Other non- cash movements   |       |                | 2,999            |                | 5,545           |
| Decrease in stocks  |       |                | 5,306            |                | 18,688          |
| Decrease in debtors   |       |                | 20,425           |                | (69,418)        |
| Decrease in creditors   |       |                | (172,471)        |                | (83,446)        |
| Net funding to Group and parent undertaking                                 |       |                | 102,780          |                | 45,246          |
| <b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>                            |       |                | <u>744,926</u>   |                | <u>741,537</u>  |
| <b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>                      |       |                |                  |                |                 |
| Interest paid   |       |                | (6)              |                | -               |
| Interest received   |       |                | <u>30,181</u>    |                | <u>32,889</u>   |
| <b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b> |       |                | <u>30,175</u>    |                | <u>32,889</u>   |
| <b>TAXATION</b>   |       |                |                  |                |                 |
| UK Corporation Tax paid   |       |                | (232,166)        |                | -               |
| <b>INVESTING ACTIVITIES</b>   |       |                |                  |                |                 |
| Purchase of plant   |       |                | (127,383)        |                | (40,613)        |
| Sale of plant   |       |                | <u>5,265</u>     |                | <u>11,078</u>   |
| <b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>                           |       |                | <u>(122,118)</u> |                | <u>(29,535)</u> |
| <b>NET CASH INFLOW BEFORE FINANCING</b>                                     |       |                | 420,817          |                | 744,891         |
| <b>FINANCING</b>  |       |                |                  |                |                 |
| Loan capital repaid   | 13    |                | (486,000)        |                | (346,292)       |
| <b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>                     | 11,12 |                | <u>(65,183)</u>  |                | <u>398,599</u>  |

## **ACCOUNTING POLICIES**

### **Accounting convention**

The accounts are prepared in accordance with applicable Accounting Standards under the historical cost convention and incorporate the revaluation of property.

### **Depreciation of fixed assets**

While it is the company's policy to depreciate relevant fixed assets, the nature of the licensed trade requires that, in order to protect that trade, long leasehold licensed premises are maintained in such a state of repair that the aggregate of their residual values is at least equal to their book amounts. In the opinion of the directors, any depreciation of these properties would not be material.

The cost or valuation of other fixed assets is depreciated by equal annual instalments over their expected useful lives as follows:

|                         |         |
|-------------------------|---------|
| Furniture and equipment | 6 years |
| Motor vehicles          | 5 years |

### **Stocks**

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

### **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

### **Turnover**

Turnover is the value of goods and services sold, within the UK, as part of the company's continuing ordinary activities after deducting sales based taxes.

### **Leases**

Rental payments in respect of operating leases are charged against operating profit on a straight line basis over the period of the lease.

### **Comparative amounts**

Comparative amounts are restated where necessary to conform to current presentation.

**NOTES TO THE ACCOUNTS****1. PROFIT AND LOSS ACCOUNT DETAILS**

|   | <u>1994/95</u> | <u>1993/94</u> |
|---|----------------|----------------|
|   | £              | £              |
| <b>Profit is stated after charging:</b>       |                |                |
| Depreciation of fixed assets (note 3)         | 194,704        | 192,822        |
| Operating lease rentals - plant and machinery | 5,122          | -              |
| Hire of plant and machinery                   | <u>17,450</u>  | <u>22,553</u>  |

Labour costs included in these accounts are in respect of employees of the ultimate parent undertaking. No director received any remuneration from the company during the year.

**2. TAXATION****Current taxation on profits for the year**

|   |                |                |
|---|----------------|----------------|
| U.K. Corporation Tax at 33% (1993/94 - 33%) | <u>188,216</u> | <u>190,591</u> |
|---|----------------|----------------|

The charge for U.K. Corporation Tax has been relieved by £20,792 (1993/94 - £22,952) in respect of accelerated capital allowances, for which no provision for deferred taxation is considered necessary.

The potential amount of deferred taxation not provided in these accounts is £292,533 (1994 - £268,757) in respect of accelerated capital allowances. No provision has been made for any chargeable gains which might arise in the event of properties being sold at their revalued amounts, as in the ordinary course of business the majority of properties would be retained indefinitely.

**3. TANGIBLE FIXED ASSETS**

|                                   | <u>Long leasehold<br/>retail property</u> | <u>Plant &amp;<br/>machinery</u> | <u>Total</u>     |
|-----------------------------------|---|----------------------------------|------------------|
|                                   | £   | £                                | £                |
| Gross amounts 26 February 1994    | 7,322,950                                 | 1,198,093                        | 8,521,043        |
| Additions                         | 49,910                                    | 77,473                           | 127,383          |
| Disposals                         | -   | (38,354)                         | (38,354)         |
| Revaluation                       | <u>(110,210)</u>                          | -                                | <u>(110,210)</u> |
| Gross amounts 25 February 1995    | <u>7,262,650</u>                          | <u>1,237,212</u>                 | <u>8,499,862</u> |
| Depreciation 26 February 1994     | -   | (835,493)                        | (835,493)        |
| Depreciation for the year         | -   | (194,704)                        | (194,704)        |
| Disposals                         | -   | 33,090                           | 33,090           |
| Depreciation 25 February 1995     | <u>-</u>                                  | <u>(997,107)</u>                 | <u>(997,107)</u> |
| Net book amounts 25 February 1995 | <u>7,262,650</u>                          | <u>240,105</u>                   | <u>7,502,755</u> |
| Net book amounts 26 February 1994 | <u>7,322,950</u>                          | <u>362,600</u>                   | <u>7,685,550</u> |

**NOTES TO THE ACCOUNTS****3. TANGIBLE FIXED ASSETS (continued)**

The directors carried out a valuation of the company's property during the year. The property was valued at open market value for the purpose of its existing use by chartered surveyors employed by the parent company. If this and previous revaluations had not taken place, the values of fixed assets would have been:

|                                   | <u>Long leasehold<br/>retail property</u> | <u>Plant &amp;<br/>machinery</u> | <u>Total</u>     |
|-----------------------------------|---|----------------------------------|------------------|
|                                   | £   | £                                | £                |
| Gross amounts                     | 5,183,085                                 | 1,237,212                        | 6,420,297        |
| Depreciation                      | -   | (997,107)                        | (997,107)        |
| Net book amounts 25 February 1995 | <u>5,183,085</u>                          | <u>240,105</u>                   | <u>5,423,190</u> |
| Net book amounts 26 February 1994 | <u>5,133,175</u>                          | <u>362,600</u>                   | <u>6,113,615</u> |
|                                   |   | <u>1995</u>                      | <u>1994</u>      |
|                                   |   | £                                | £                |
| <b>Capital commitments</b>        |   |                                  |                  |
| Authorised, not committed         |   | <u>2,899,700</u>                 | <u>-</u>         |

**4. STOCKS**

|                           |               |               |
|---------------------------|---------------|---------------|
| Finished goods for resale | <u>31,645</u> | <u>36,951</u> |
|---------------------------|---------------|---------------|

**5. DEBTORS**

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Trade debtors                       | 109,976        | 147,477        |
| Amounts due from group undertakings | -              | 197            |
| Other debtors                       | 3,426          | -              |
| Prepayments and accrued income      | 26,334         | 15,684         |
|                                     | <u>139,736</u> | <u>163,358</u> |

**6. CREDITORS- amounts falling due within one year**

|                                    |                |                  |
|------------------------------------|----------------|------------------|
| Bank overdrafts                    | 329            | 71,073           |
| Trade creditors                    | 4,319          | 202,351          |
| Amounts owed to group undertakings | 252,944        | 150,361          |
| Corporation Tax                    | 419,346        | 463,296          |
| Other taxes and social security    | -              | 124,098          |
| Other creditors                    | 170,936        | 21,277           |
|                                    | <u>847,874</u> | <u>1,032,456</u> |

**NOTES TO THE ACCOUNTS****7. CREDITORS - amounts falling due after more than one year**

|            | <u>1995</u>      | <u>1994</u>      |
|------------|------------------|------------------|
|            | £                | £                |
| Debentures | <u>2,534,708</u> | <u>3,020,708</u> |

The debentures, which are secured on the Goodwood Park Hotel, are interest free and repayable at the option of the company.

**8. SHARE CAPITAL**

|                                | Authorised, allotted, called up<br>and fully paid |                |
|--------------------------------|---|----------------|
|                                | <u>1995</u>                                       | <u>1994</u>    |
|                                | £   | £              |
| 'A' ordinary shares of £1 each | 30,000  | 30,000         |
| 'B' ordinary shares of £1 each | <u>70,000</u>                                     | <u>70,000</u>  |
|                                | <u>100,000</u>                                    | <u>100,000</u> |

**9. RESERVES**

|                  | Revaluation<br>reserve | Profit &<br>loss account | Total            |
|------------------|------------------------|--------------------------|------------------|
|                  | £                      | £                        | £                |
| 26 February 1994 | 2,189,775              | 2,123,496                | 4,313,271        |
| Revaluation      | (110,210)              | -                        | (110,210)        |
| Profit retained  | -                      | 433,142                  | 433,142          |
| 25 February 1995 | <u>2,079,565</u>       | <u>2,556,638</u>         | <u>4,636,203</u> |

**10. MOVEMENT IN SHAREHOLDERS' FUNDS**

|   | <u>1995</u>      | <u>1994</u>      |
|---|------------------|------------------|
|   | £                | £                |
| Shareholders' funds at 26 February 1994 | 4,413,271        | 3,938,873        |
| Profit earned for ordinary shareholders | 433,142          | 474,398          |
| Revaluation                             | (110,210)        | -                |
| Shareholders' funds at 25 February 1995 | <u>4,736,203</u> | <u>4,413,271</u> |

**NOTES TO THE ACCOUNTS****11. CHANGES IN CASH AND CASH EQUIVALENTS**

|                           | <u>1995</u>     | <u>1994</u>    |
|---------------------------|-----------------|----------------|
|                           | £               | £              |
| Balance 26 February 1994  | 509,503         | 110,904        |
| Net cash inflow/(outflow) | <u>(65,183)</u> | <u>398,599</u> |
| Balance 25 February 1995  | <u>444,320</u>  | <u>509,503</u> |

**12. BALANCE SHEET MOVEMENT IN CASH AND CASH EQUIVALENTS**

|                          | <u>1995</u>     | <u>1994</u>     | <u>Change</u>   |
|--------------------------|-----------------|-----------------|-----------------|
|                          | £               | £               | £               |
| Year to 25 February 1995 |                 |                 |                 |
| Cash at bank and in hand | 444,649         | 580,576         | (135,927)       |
| Bank overdrafts          | <u>(329)</u>    | <u>(71,073)</u> | <u>70,744</u>   |
|                          | <u>444,320</u>  | <u>509,503</u>  | <u>(65,183)</u> |
|                          |                 |                 |                 |
|                          | <u>1994</u>     | <u>1993</u>     | <u>Change</u>   |
|                          | £               | £               | £               |
| Year to 26 February 1994 |                 |                 |                 |
| Cash at bank and in hand | 580,576         | 111,724         | 468,852         |
| Bank overdrafts          | <u>(71,073)</u> | <u>(820)</u>    | <u>(70,253)</u> |
|                          | <u>509,503</u>  | <u>110,904</u>  | <u>398,599</u>  |

**13. CHANGES IN FINANCING**

|                             | <u>Loan Capital</u> |                  |
|-----------------------------|---------------------|------------------|
|                             | <u>1995</u>         | <u>1994</u>      |
|                             | £                   | £                |
| Balance 26 February 1994    | 3,020,708           | 3,367,000        |
| Cash outflow from financing | <u>(486,000)</u>    | <u>(346,292)</u> |
| Balance 25 February 1995    | <u>2,534,708</u>    | <u>3,020,708</u> |

**14. LEASE COMMITMENTS**

Annual payments under operating leases which expire within two to five years:

|                     |               |          |
|---------------------|---------------|----------|
| Plant and machinery | <u>12,027</u> | <u>-</u> |
|---------------------|---------------|----------|

**15. PARENT UNDERTAKING**

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Whitbread PLC, registered in England and Wales. Copies of their accounts can be obtained from Chiswell Street, London EC1Y 4SD.