

**REGISTRAR'S
COPY**

Company Registration No. 2096222 (England and Wales)

LUCKNAM PARK HOTELS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2011

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LUCKNAM PARK HOTELS LIMITED

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LUCKNAM PARK HOTELS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2011

The directors present their report and financial statements for the year ended 31 May 2011.

Principal activities and review of the business

The principal activity of the company continued to be that of provision of hotel and leisure facilities

The results for the year are set out on page 5. The company's turnover for the year increased to £5,765,686 which reflects the second full year of operation for the spa. There was a loss of £431,239. The company's balance sheet showed net assets of £5,180,332

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the company. In common with other businesses in our sector, the company faces competitive and economic pressures and plans are in place to deal with these challenges as they arise.

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 June 2010:

P.R. George
C Laskaridis
H. Murray
M Farwell

(Retired 30 June 2010)

Auditors

In accordance with the company's articles, a resolution proposing that HB Accountants be reappointed as auditors of the company will be put at a General Meeting.

LUCKNAM PARK HOTELS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

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:

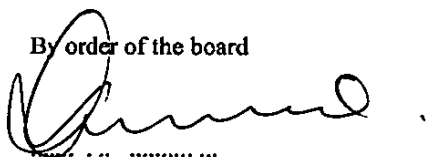
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



S.J. Reynolds

Secretary

22/8/11

LUCKNAM PARK HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT TO LUCKNAM PARK HOTELS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 14, together with the financial statements of Lucknam Park Hotels Limited for the year ended 31 May 2011 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 24/11/11 we reported, as auditors of Lucknam Park Hotels Limited, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 31 May 2011, and our report was as follows:

"We have audited the financial statements of Lucknam Park Hotels Limited for the year ended 31 May 2011 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 set out on pages 1 - 2, 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 of the financial statements

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.

LUCKNAM PARK HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT TO LUCKNAM PARK HOTELS LIMITED (CONTINUED)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Opinion - Disagreement

In the year ended 31 May 2007, the directors incorporated a revaluation of the freehold land and buildings into the financial statements. This valuation was not undertaken by a recognised professional valuer and therefore does not comply with the requirements of Financial Reporting Standard 15.

Except for this, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its loss for the year then ended;
- 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

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.

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

HB Accountants

Keith Grover (Senior Statutory Auditor)
for and on behalf of HB Accountants

2/9/11
.....

Chartered Accountants
Statutory Auditor

Amwell House
19 Amwell Street
Hoddesdon
Herts.
EN11 8TS

LUCKNAM PARK HOTELS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|-------------|-------------|
| Turnover | | 5,765,686 | 4,932,325 |
| Other operating income less cost of sales | | (3,326,143) | (2,864,049) |
| Distribution costs | | (270,872) | (290,474) |
| Administrative expenses | | (2,600,214) | (2,368,093) |
| Operating loss | 2 | (431,543) | (590,291) |
| Other interest receivable and similar income | | 304 | 936 |
| Loss on ordinary activities before taxation | | (431,239) | (589,355) |
| Tax on loss on ordinary activities | 4 | - | - |
| Loss for the year | 11 | (431,239) | (589,355) |

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account.

LUCKNAM PARK HOTELS LIMITED


ABBREVIATED BALANCE SHEET

AS AT 31 MAY 2011

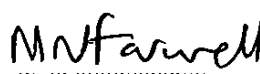
| | Notes | 2011 £ | £ | 2010 £ | £ |
|--|-------|---------------------|------------------|---------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 5 | 27,149,398 | | 27,814,397 | |
| Current assets | | | | | |
| Stocks | 6 | 145,719 | | 139,155 | |
| Debtors | 7 | 452,002 | | 403,748 | |
| Cash at bank and in hand | | 887,984 | | 699,735 | |
| | | <u>1,485,705</u> | | <u>1,242,638</u> | |
| Creditors: amounts falling due within one year | 8 | <u>(1,449,003)</u> | | <u>(1,383,176)</u> | |
| Net current assets/(liabilities) | | | 36,702 | | (140,538) |
| Total assets less current liabilities | | | 27,186,100 | | 27,673,859 |
| Creditors: amounts falling due after more than one year | 9 | <u>(22,005,768)</u> | | <u>(22,062,288)</u> | |
| | | | <u>5,180,332</u> | | <u>5,611,571</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | 1,090,000 | | 1,090,000 | |
| Share premium account | 11 | 1,498,938 | | 1,498,938 | |
| Revaluation reserve | 11 | 6,953,062 | | 6,953,062 | |
| Other reserves | 11 | 40,000 | | 40,000 | |
| Profit and loss account | 11 | <u>(4,401,668)</u> | | <u>(3,970,429)</u> | |
| Shareholders' funds | 12 | <u>5,180,332</u> | | <u>5,611,571</u> | |

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on ... 22/8/11



H. Murray
Director



M Farwell
Director

Company Registration No. 2096222

LUCKNAM PARK HOTELS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2011

| | £ | 2011 £ | £ | 2010 £ |
|--|-----------|------------------|-----------|------------------|
| Net cash inflow from operating activities | | 613,087 | | 530,841 |
| Returns on investments and servicing of finance | | | | |
| Interest received | 304 | | 936 | |
| Net cash inflow for returns on investments and servicing of finance | | 304 | | 936 |
| Capital expenditure | | | | |
| Payments to acquire tangible assets | (368,622) | | (700,456) | |
| Receipts from sales of tangible assets | - | | 1,500 | |
| Net cash outflow for capital expenditure | | (368,622) | | (698,956) |
| Net cash inflow/(outflow) before management of liquid resources and financing | | 244,769 | | (167,179) |
| Financing | | | | |
| Other new long term loans | - | | 294,754 | |
| Repayment of other long term loans | (56,520) | | - | |
| Net cash (outflow)/inflow from financing | | (56,520) | | 294,754 |
| Increase in cash in the year | | 188,249 | | 127,575 |

LUCKNAM PARK HOTELS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2011

| 1 | Reconciliation of operating loss to net cash inflow from operating activities | 2011 | 2010 |
|---|---|----------------|----------------|
| | | £ | £ |
| | Operating loss | (431,543) | (590,291) |
| | Depreciation of tangible assets | 1,033,621 | 987,911 |
| | Loss on disposal of tangible assets | - | 2,014 |
| | Increase in stocks | (6,564) | (41,132) |
| | Increase in debtors | (48,254) | (37,579) |
| | Increase in creditors within one year | 65,827 | 209,918 |
| | Net cash inflow from operating activities | 613,087 | 530,841 |

| 2 | Analysis of net debt | 1 June 2010 | Cash flow | Other non-cash changes | 31 May 2011 |
|---|----------------------------------|---------------------|----------------|------------------------|---------------------|
| | | £ | £ | £ | £ |
| | Net cash: | | | | |
| | Cash at bank and in hand | 699,735 | 188,249 | - | 887,984 |
| | Bank deposits | - | - | - | - |
| | Debt: | | | | |
| | Debts falling due after one year | (22,062,288) | 56,520 | - | (22,005,768) |
| | Net debt | (21,362,553) | 244,769 | - | (21,117,784) |

| 3 | Reconciliation of net cash flow to movement in net debt | 2011 | 2010 |
|---|---|---------------------|---------------------|
| | | £ | £ |
| | Increase in cash in the year | 188,249 | 127,575 |
| | Cash outflow/(inflow) from decrease/(increase) in debt | 56,520 | (294,754) |
| | Movement in net debt in the year | 244,769 | (167,179) |
| | Opening net debt | (21,362,553) | (21,195,374) |
| | Closing net debt | (21,117,784) | (21,362,553) |

LUCKNAM PARK HOTELS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

| | |
|-----------------------------------|--|
| Land and buildings Freehold | Nil |
| Land and buildings Long Leasehold | Nil |
| Antique fixtures and fittings | Nil |
| Fixtures, fittings and equipment | 20%/25% reducing balance/straight line |
| Motor vehicles | 20% reducing balance |
| Equestrian | 20% reducing balance |

The directors have carried out an impairment review on the freehold and long leasehold properties. The result of this is that no provision is required at the year end

1.4 Stock

Stock is valued at the lower of cost and net realisable value

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

2 Operating loss

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| Operating loss is stated after charging | | |
| Depreciation of tangible assets | 1,033,621 | 987,911 |
| Loss on disposal of tangible assets | - | 2,014 |
| Auditors' remuneration (including expenses and benefits in kind) | 9,500 | 9,500 |

3 Investment income

| | 2011 £ | 2010 £ |
|---------------|------------|------------|
| Bank interest | 304 | 936 |
| | <u>304</u> | <u>936</u> |

LUCKNAM PARK HOTELS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

| 4 | Taxation | 2011 | 2010 |
|----------|---|-------------|-------------|
| | Total current tax | - | - |
| | Factors affecting the tax charge for the year | | |
| | Loss on ordinary activities before taxation | (431,239) | (589,355) |
| | Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%) | (120,747) | (165,019) |
| | Effects of | | |
| | Depreciation add back | 289,414 | 277,179 |
| | Capital allowances | (358,968) | (411,312) |
| | Tax losses utilised | 190,301 | 299,152 |
| | | 120,747 | 165,019 |
| | Current tax charge for the year | - | - |

If provision were to be made for deferred taxation on the basis of the full potential liability, the tax charge for the year would increase by £ 955,082 (2010 - £ 893,949)

The company has estimated losses of £ 9,017,453 (2010 - £ 8,337,806) available for carry forward against future trading profits

No provision has been made for deferred taxation in respect of the tax that would be payable if assets were sold at their revalued amounts, as there is no intention of disposing these assets within the foreseeable future

LUCKNAM PARK HOTELS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

5 Tangible fixed assets

| | Land and buildings: Freehold £ | Antique fixtures and fittings £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|--|---|------------------------|------------|
| Cost or valuation | | | | | |
| At 1 June 2010 | 18,583,483 | 713,034 | 13,825,257 | 41,273 | 33,163,047 |
| Additions | 20,460 | - | 348,162 | - | 368,622 |
| | | | | | |
| At 31 May 2011 | 18,603,943 | 713,034 | 14,173,419 | 41,273 | 33,531,669 |
| | | | | | |
| Depreciation | | | | | |
| At 1 June 2010 | - | - | 5,331,832 | 16,818 | 5,348,650 |
| Charge for the year | - | - | 1,028,730 | 4,891 | 1,033,621 |
| | | | | | |
| At 31 May 2011 | - | - | 6,360,562 | 21,709 | 6,382,271 |
| | | | | | |
| Net book value | | | | | |
| At 31 May 2011 | 18,603,943 | 713,034 | 7,812,857 | 19,564 | 27,149,398 |
| | | | | | |
| At 31 May 2010 | 18,583,483 | 713,034 | 8,493,425 | 24,455 | 27,814,397 |

In the year ended 31 May 2007, the directors incorporated a revaluation of the hotel and grounds to a total value of £10,305,184 which is reflected in the financial statements. The historical cost of these assets is £11,814,262 (2010 £11,793,802).

In the year ended 31 May 2007, the antiques were revalued to a value of £713,034 and this revaluation was incorporated in the financial statements. The historical cost of these assets is £549,653 (2010 £549,653).

Included within the Land and buildings figure above is £32,170 (2010 £32,170) which relates to Long leasehold assets.

Included within the Motor vehicles figure above is £2,069 (2010 £2,586) which relates to equestrian assets.

| 6 Stocks | 2011 £ | 2010 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 145,719 | 139,155 |

LUCKNAM PARK HOTELS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

| 7 Debtors | 2011 | 2010 |
|--|-------------------|-------------------|
| | £ | £ |
| Trade debtors | 256,797 | 248,653 |
| Other debtors | 1,152 | 1,152 |
| Prepayments and accrued income | 194,053 | 153,943 |
| | <u>452,002</u> | <u>403,748</u> |
| 8 Creditors: amounts falling due within one year | 2011 | 2010 |
| | £ | £ |
| Trade creditors | 682,551 | 508,604 |
| Taxes and social security costs | 308,409 | 182,369 |
| Other creditors | 3,900 | 4,050 |
| Accruals and deferred income | 454,143 | 688,153 |
| | <u>1,449,003</u> | <u>1,383,176</u> |
| 9 Creditors: amounts falling due after more than one year | 2011 | 2010 |
| | £ | £ |
| Amounts owed to parent company | <u>22,005,768</u> | <u>22,062,288</u> |
| 10 Share capital | 2011 | 2010 |
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1,090,000 Ordinary shares of £1 each | <u>1,090,000</u> | <u>1,090,000</u> |

LUCKNAM PARK HOTELS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

11 Statement of movements on reserves

| | Share premium account | Revaluation reserve | Other reserves (see below) | Profit and loss account |
|------------------------|-----------------------------|------------------------|-------------------------------|----------------------------|
| | £ | £ | £ | £ |
| Balance at 1 June 2010 | 1,498,938 | 6,953,062 | 40,000 | (3,970,429) |
| Loss for the year | - | - | - | (431,239) |
| Balance at 31 May 2011 | <u>1,498,938</u> | <u>6,953,062</u> | <u>40,000</u> | <u>(4,401,668)</u> |

Other reserves

Reserves provided for by the Articles of Association

Balance at 1 June 2010 & at 31 May 2011

40,000

12 Reconciliation of movements in shareholders' funds

| | 2011 £ | 2010 £ |
|-----------------------------|------------------|------------------|
| Loss for the financial year | (431,239) | (589,355) |
| Opening shareholders' funds | <u>5,611,571</u> | <u>6,200,926</u> |
| Closing shareholders' funds | <u>5,180,332</u> | <u>5,611,571</u> |

13 Directors' remuneration

| | 2011 £ | 2010 £ |
|--------------------------------------|---------------|----------------|
| Remuneration for qualifying services | <u>43,564</u> | <u>147,847</u> |

LUCKNAM PARK HOTELS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

| 2011 Number | 2010 Number |
|----------------|----------------|
| 151 | 132 |

Employment costs

| | 2011 £ | 2010 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,277,469 | 2,060,659 |
| Social security costs | 208,047 | 190,422 |
| | <u>2,485,516</u> | <u>2,251,081</u> |

15 Ultimate parent company

The holding company is Ocean Champion SA Limited, a company incorporated in the Republic of Panama

The company's ultimate parent company and controlling party is unknown.