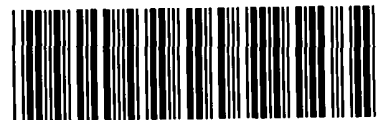


Registered number
3753206

BESTMEXICO LIMITED
Report and Financial Statements
24 November 2016

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BESTMEXICO LIMITED
Report and Financial Statements
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BESTMEXICO LIMITED
Company Information

Directors

K Arkley

J Hands

Secretary

Jordans Company Secretaries Limited

Auditor

BDO LLP

55 Baker Street

London

UK

W1U 7EU

Registered office

The Old Library

The Drive

Sevenoaks

Kent

TN13 3AB

Registered number

3753206

BESTMEXICO LIMITED
Strategic Report
for the period ended 24 November 2016

The directors present their strategic report for the period ended 24 November 2016.

Business review

The results for the period and financial position of the company are as shown in the annexed financial statements.

Principal risks and uncertainties

The directors consider the following to be principal risks and uncertainties facing the company and its investments:

- economic recession;
- changes to government regulations including legislation on employees, environmental and health and safety;
- natural disasters

The directors take a regular review of the company and its investments' exposure to these risks.

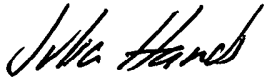
Expansion for the future

We are maintaining our investment in constantly upgrading and improving our existing bedroom stock held by our subsidiaries.

Environment

The hotels operate in beautiful locations and it is in our best interests to minimise the impact upon the environment, particularly by energy saving initiatives within the hotels.

This report was approved by the board on 25 May 2017.



J Hands
Director

BESTMEXICO LIMITED

Registered number: 3753206

Directors' Report

The directors present their report and financial statements for the period ended 24 November 2016.

Principal activities

The company's principal activity during the period continued to be that of investment in companies that hold interests in hotels.

Business review

The results for the period and financial position of the company are as shown in the annexed financial statements.

Dividends

No dividends were paid during the period ended 24 November 2016 (2015 £Nil).

Directors

The following persons served as directors during the period:

K Arkley
J Hands

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Ireland". 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.

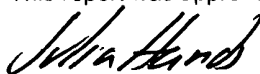
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

This report was approved by the board on 25 May 2017 and signed on its behalf.



J Hands
Director

BESTMEXICO LIMITED
Independent Auditor's Report
to the members of BESTMEXICO LIMITED

We have audited the financial statements of Bestmexico Limited for the period ended 24 November 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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 statement of directors' responsibilities, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 24 November 2016 and of its loss for the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report and the strategic report for the financial period 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.

BDO LLP

Ian Clayden (senior statutory auditor)
for and on behalf of BDO LLP, statutory auditor
London

26-5-2017

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

BESTMEXICO LIMITED
Statement of Comprehensive Income
for the period from 27 November 2015 to 24 November 2016

	Notes	2016 £	2015 £
Administrative expenses		(430)	(456)
Operating loss	3	<u>(430)</u>	<u>(456)</u>
Interest payable and similar charges	5	(319,909)	(299,015)
Loss on ordinary activities before taxation		<u>(320,339)</u>	<u>(299,471)</u>
Tax on loss on ordinary activities	6	-	-
Loss for the period		<u>(320,339)</u>	<u>(299,471)</u>
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		<u>(320,339)</u>	<u>(299,471)</u>

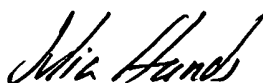
All amounts relate to continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

BESTMEXICO LIMITED
Statement of Financial Position
as at 24 November 2016

	Notes	24 November 2016 £	26 November 2015 £
Fixed assets			
Investments	7	5,780,000	5,780,000
Creditors: amounts falling due within one year	8	(15,070)	(14,398)
Net current liabilities		<u>(15,070)</u>	<u>(14,398)</u>
Total assets less current liabilities		<u>5,764,930</u>	<u>5,765,602</u>
Creditors: amounts falling due after more than one year	9	(4,886,344)	(4,566,677)
Net assets		<u>878,586</u>	<u>1,198,925</u>
Capital and reserves			
Called up share capital	11	2,745,002	2,745,002
Capital contribution reserve	12	2,137,078	2,137,078
Profit and loss account	12	(4,003,494)	(3,683,155)
Total equity		<u>878,586</u>	<u>1,198,925</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 May 2017.



J Hands
Director

The notes on pages 8 to 14 form part of these financial statements.

BESTMEXICO LIMITED
Statement of Changes in Equity
for the periods from 28 November 2014 to 24 November 2016

	Share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 27 November 2015	2,745,002	2,137,078	(3,683,155)	1,198,925
Loss for the period	-	-	(320,339)	(320,339)
At 24 November 2016	<u>2,745,002</u>	<u>2,137,078</u>	<u>(4,003,494)</u>	<u>878,586</u>
 At 28 November 2014	 2,745,002	 2,137,078	 (3,383,684)	 1,498,396
Loss for the period	-	-	(299,471)	(299,471)
At 26 November 2015	<u>2,745,002</u>	<u>2,137,078</u>	<u>(3,683,155)</u>	<u>1,198,925</u>

The notes on pages 8 to 14 form part of these financial statements.

BESTMEXICO LIMITED

Notes to the Financial Statements

for the period from 27 November 2015 to 24 November 2016

1 Accounting policies

General information

Bestmexico Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Strategic Report and Directors' Report.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The financial statements for the period ended 24 November 2016 are the company's first financial statements that comply with FRS 102. The date of transition is 28 November 2014.

Information on the impact of first-time adoption of FRS 102 is given in note 14.

The preparation of financial statements in compliance with 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 2).

The following principal accounting policies have been applied consistently throughout the preceding and current periods.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hand Picked Hotels Limited as at 24 November 2016 and these financial statements may be obtained from Companies House.

Exemption from preparation of consolidated financial statements

The Company has taken advantage of section 400 of the Companies Act 2006 and elected not to prepare consolidated financial statements as it is included in the consolidated financial statements of a larger group. Accordingly these financial statements show company only results and not group.

Going concern

The Company reports net current liabilities and losses for the period. The parent company, Hand Picked Hotels Limited, has indicated that it will continue to provide financial support as necessary for the foreseeable future to ensure the Company can meet all liabilities as they fall due. On this basis, and having made appropriate enquiries at the parent company, the directors are satisfied that it is appropriate to prepare these accounts on a going concern basis.

BESTMEXICO LIMITED**Notes to the Financial Statements****for the period from 27 November 2015 to 24 November 2016****Accounting policies (continued)*****Debtors***

Short term debtors are measured at transaction price, less any impairment. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Creditors

Short term creditors are measured at the transaction price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or 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 country where the company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

BESTMEXICO LIMITED**Notes to the Financial Statements****for the period from 27 November 2015 to 24 November 2016****2 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 assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

- Investments (see note 7)

Where indicators of impairment exist, impairment reviews consider the current value of the investments' assets and liabilities along with its future performance and timing of the expected return on these investments.

3 Operating loss

The auditor's remuneration for the period ended 24 November 2016 has been borne by another group company.

4 Staff costs	2016	2015
	£	£
Average number of employees during the period	Number	Number
Administration	<u>2</u>	<u>2</u>

None of the directors received any remuneration for the period (2015: £nil).

5 Interest payable	2016	2015
	£	£
Group interest payable	242	260
Unwinding of discount on shareholder loans	<u>319,667</u>	<u>298,755</u>
	<u>319,909</u>	<u>299,015</u>

BESTMEXICO LIMITED**Notes to the Financial Statements****for the period from 27 November 2015 to 24 November 2016**

6 Taxation	2016	2015
<i>Current tax</i>		
UK corporation tax at 20.00% (2015: 20.35%)	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
<i>Movement in deferred tax</i>		
Provision at start of period	-	-
Deferred tax charged in the statement of comprehensive income for the period	-	-
Provision at end of period	<u>-</u>	<u>-</u>
<i>Reconciliation of tax charge</i>		
Loss on ordinary activities before tax	(320,339)	(299,471)
Tax on loss on ordinary activities at standard CT rate	(64,068)	(60,936)
Effects of:		
Expenses not deductible for tax purposes	63,933	60,790
Group relief surrendered	134	146
Deferred tax not recognised	(69)	-
Difference in tax rates	<u>70</u>	<u>-</u>
Tax charge for the period	<u>-</u>	<u>-</u>

The company has an unrecognised deferred tax asset of £1,200 (2015: £1,200) in respect of non-trade losses carried forward available for offset against future non-trade profits.

BESTMEXICO LIMITED
Notes to the Financial Statements
for the period from 27 November 2015 to 24 November 2016

7 Investments

	Shares in subsidiary undertakings £
Cost	
At 27 November 2015 and at 24 November 2016	<u>9,150,000</u>
Provision	
At 27 November 2015	<u>3,370,000</u>
At 24 November 2016	<u>3,370,000</u>
Net book value	
At 24 November 2016	<u>5,780,000</u>
At 27 November 2015	<u>5,780,000</u>

The company has investments in the following wholly owned subsidiaries:

Company	Country of incorporation	Shares held Class	%
Norton Crathorne (No. 1) Limited	England and Wales	Ordinary	100

Company	Country of incorporation	Shares held Class	%
Norton Crathorne (No. 2) Limited	England and Wales	Ordinary	100

The principal activities of Norton Crathorne (No.1) are that of running the operation of the Norton House and Crathorne Hall Hotels. The principal activity of Norton Crathorne (No.2) is to own the freehold of the Crathorne Hall and Norton House Hotels.

BESTMEXICO LIMITED**Notes to the Financial Statements****for the period from 27 November 2015 to 24 November 2016**

8 Creditors: amounts falling due within one year	2016	2015
	£	£
Amounts due to parent undertaking	6,664	5,992
Other creditors	8,406	8,406
	<u>15,070</u>	<u>14,398</u>

9 Creditors: amounts falling due after one year	2016	2015
	£	£
Unsecured loan stock (Note 10)	<u>4,886,344</u>	<u>4,566,677</u>

10 Loans	2016	2015
	£	£
Unsecured loan stock	<u>4,886,344</u>	<u>4,566,677</u>
Analysis of maturity of debt:		
Between one and two years	<u>4,886,344</u>	<u>4,566,677</u>

The unsecured loan stock is non-interest bearing. The holder has confirmed that it has been and remains their on-going intention that this amount will not be called for repayment for the foreseeable future and not until such time as the company is able to make such repayments.

Under FRS 102, interest free loans have to be discounted using an appropriate interest rate. 7% was considered to be in line with the market, based on a premium of 5.6% over government bond rates over a similar term of circa 1.4%. Based on a repayment made in 2020, this lead to a capital contribution from secured loans at the transition date of £2,137,07. The profit and loss impact of unwinding this discount in 2016 was of £320k interest payable (£299k in 2015).

11 Share capital	2016	2015	2016	2015
	Number	Number	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2,745,002	2,745,002	2,745,002	2,745,002

12 Reserves**Profit & loss account**

This is cumulative profits or losses, net of dividends paid and other adjustments.

Capital contribution reserve

This comprises discounting adjustments to certain shareholder loans.

BESTMEXICO LIMITED**Notes to the Financial Statements****for the period from 27 November 2015 to 24 November 2016****13 Ultimate parent company, controlling party and related party transactions**

Other creditors comprise £8,406 payable to Mr G Hands (2015: £8,406).

The unsecured loan stock of £6,405,000 (2015: £6,405,000) represents amounts owed to Mrs J Hands, a director of the company. The terms and conditions attached to the unsecured loan stock are described in note 10.

The company's ultimate parent company is Alscot Sarl, a company incorporated in Luxembourg. The company's immediate parent undertaking is Hand Picked Hotels Limited. The largest and smallest group in whose financial statements the results of the company will be consolidated is Hand Picked Hotels Limited. The consolidated financial statements of Hand Picked Hotels Limited will be available to the public and will be obtainable in due course from the Registrar of Companies, Companies House, Crown Way, Cardiff.

The ultimate controlling party is Mr G Hands.

14 Reconciliations on adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 28 November 2014. The impact of the transition to FRS 102 is as follows:

Profit and loss for the year ended 26 November 2015	£
Loss under former UK GAAP	(716)
Unwinding of discount on shareholder loans	(298,755)
	<hr/>
Loss under FRS 102	(299,471)
Balance sheet at 26 November 2015	£
Equity under former UK GAAP	(639,398)
Discounting of loans payable to shareholders	2,137,078
Unwinding of discount on loans from shareholders	(298,755)
	<hr/>
Equity under FRS 102	1,198,925
Balance sheet at 28 November 2014	£
Equity under former UK GAAP	(638,682)
Discounting of loans payable to shareholders	2,137,078
	<hr/>
Equity under FRS 102	1,498,396

Prior to the adoption of FRS 102, the group did not recognise non-market rate loans from shareholders at fair value (based on future payments discounted at a market rate for a similar instrument). This is required under FRS 102 therefore this has been retrospectively applied resulting in the recognition of a capital contribution reserve on transition and release of interest on transition and thereafter.