

Registered number
3779729

SEIONT MANOR HOTEL LIMITED

Report and Accounts

29 November 2001



SEIONT MANOR HOTEL LIMITED
Report and accounts
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SEIONT MANOR HOTEL LIMITED
Company Information

Directors

R C Felton

J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

Ernst & Young LLP

Becket House

1 Lambeth Palace Road

London

SE1 7EU

Registered office

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The Drive

Sevenoaks

Kent

TN13 3AB

Registered number

3779729

SEIONT MANOR HOTEL LIMITED

Directors' Report

The directors present their report and accounts for the 52 weeks ended 29 November 2001.

Principal activities

The company's principal activity during the period continued to be that of the ownership and operation of the Seiont Manor Hotel.

Review of business

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

Dividends

No dividends will be distributed for the period ended 29 November 2001.

Directors

The directors who served during the period under review were:

R.C. Felton		
M.T. Fitzgerald	- resigned	06.12.2001
J. Hands	- appointed	08.01.2002

The directors holding office at 29 November 2001 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at date of appointment or 29 November 2001.

Statement of Directors' responsibilities

Company law requires the directors to prepare accounts 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 period. In preparing those accounts, the directors are required to:

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the forthcoming Annual General Meeting.

This report was approved by the board on 24 May 2002.



J Hands
Director

SEIONT MANOR HOTEL LIMITED

Independent auditors' report to the shareholders of SEIONT MANOR HOTEL LIMITED

We have audited the accounts of Seiont Manor Hotel Limited for the period ended 29 November 2001 which comprise profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes 1 to 14. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with United Kingdom applicable law and Accounting Standards.

It is our responsibility to form an independent opinion, based on our audit on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 29 November 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor

London

24 May 2002

SEIONT MANOR HOTEL LIMITED**Profit and Loss Account****for the period from 1 December 2000 to 29 November 2001**

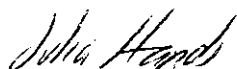
		52 weeks ended 29 November 2001 £	Year ended 30 November 2000 £
	Notes		
Turnover - continuing operations		812,110	760,304
Cost of sales		(220,063)	(156,140)
Gross profit		<u>592,047</u>	<u>604,164</u>
Administrative expenses		(730,833)	(653,976)
Operating loss - continuing operations	2	<u>(138,786)</u>	<u>(49,812)</u>
Interest payable	4	(58)	(434)
Loss on ordinary activities before taxation		<u>(138,844)</u>	<u>(50,246)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the period		<u>(138,844)</u>	<u>(50,246)</u>
Retained loss for the period	11	<u>(138,844)</u>	<u>(50,246)</u>

SEIONT MANOR HOTEL LIMITED**Statement of total recognised gains and losses****for the period from 1 December 2000 to 29 November 2001**

	Notes	52 weeks ended 29 November 2001 £	Year ended 30 November 2000 £
Loss for the period		(138,844)	(50,246)
Total recognised gains and losses related to the 52 weeks		<u>(138,844)</u>	<u>(50,246)</u>

SEIONT MANOR HOTEL LIMITED**Balance Sheet****as at 29 November 2001**

	Notes	29 November 2001 £	30 November 2000 £
Fixed assets			
Tangible assets	6	1,302,012	1,322,525
Current assets			
Stocks	7	16,291	14,701
Debtors	8	49,605	50,538
Cash at bank and in hand		1,150	13,017
		<u>67,046</u>	<u>78,256</u>
Creditors: amounts falling due within one year	9	(307,347)	(200,226)
Net current liabilities		<u>(240,301)</u>	<u>(121,970)</u>
		<u>1,061,711</u>	<u>1,200,555</u>
Capital and reserves			
Called up share capital	10	1,250,002	1,250,002
Profit and loss account	11	(188,291)	(49,447)
Shareholders' funds:			
Equity		<u>1,061,711</u>	<u>1,200,555</u>
	12	<u>1,061,711</u>	<u>1,200,555</u>



J Hands

Director

Approved by the board on 24 May 2002

SEIONT MANOR HOTEL LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

1 Accounting policies

Fundamental Accounting Concept

The accounts have been prepared on a going concern basis on the basis of continuing financial support from the immediate parent undertaking Hand Picked Hotels Limited.

Reclassification

During the period, the company has revised the allocation of certain costs between cost of sales and administration expenses in order that the classifications are more in line with industry norms. As such the prior year comparative figures for cost of sales and administrative expenses have been reclassified under the revised basis.

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax, all of which is generated through the operation of the hotel.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	50 years
Plant and machinery	4 to 25 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Related party transactions

The company has taken advantage of the exemptions in FRS 8 in connection with the disclosure of transactions with other group undertakings.

Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

SEIONT MANOR HOTEL LIMITED**Notes to the Accounts****for the period from 1 December 2000 to 29 November 2001**

2 Operating loss	2001	2000
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	29,491	29,260
Other operating leases	786	1,052
Auditors' remuneration	<u>5,000</u>	<u>1,253</u>

3 Staff costs	2001	2000
	£	£
Wages and salaries	344,131	307,315
Social security costs	25,902	21,029
Other pension costs	<u>5,294</u>	<u>(2,770)</u>
	<u>375,327</u>	<u>325,574</u>

None of the directors received any remuneration for the period (2000: £nil)

Average number of employees during the year	Number	Number
Hotel operations	<u>28</u>	<u>49</u>

4 Interest payable	2001	2000
	£	£
Bank loans and overdrafts	<u>58</u>	<u>434</u>

5 Taxation	2001	2000
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for period

No liability to UK corporation tax arose on ordinary activities for the 52 weeks ended 29 November 2001 nor for the year ended 30 November 2000 due to the availability of losses within the group.

SEIONT MANOR HOTEL LIMITED**Notes to the Accounts****for the period from 1 December 2000 to 29 November 2001****6 Tangible fixed assets**

	Freehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 December 2000	1,133,691	232,169	1,365,860
Additions	-	8,978	8,978
At 29 November 2001	<u>1,133,691</u>	<u>241,147</u>	<u>1,374,838</u>
Depreciation			
At 1 December 2000	9,363	33,972	43,335
Charge for the 52 weeks	2,478	27,013	29,491
At 29 November 2001	<u>11,841</u>	<u>60,985</u>	<u>72,826</u>
Net book value			
At 29 November 2001	<u>1,121,850</u>	<u>180,162</u>	<u>1,302,012</u>
At 30 November 2000	<u>1,124,328</u>	<u>198,197</u>	<u>1,322,525</u>

Included in freehold land and buildings is freehold land of £307,841 (2000: £307,841) which is not depreciated.

7 Stocks

	2001 £	2000 £
Goods for resale	<u>16,291</u>	<u>14,701</u>

8 Debtors

	2001 £	2000 £
Trade debtors	38,049	34,129
Amounts due from fellow subsidiary undertakings	128	-
Other debtors	-	7
Prepayments and accrued income	<u>11,428</u>	<u>16,402</u>
	<u>49,605</u>	<u>50,538</u>

SEIONT MANOR HOTEL LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

9 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	11,557	-
Payments in advance	22,474	27,453
Trade creditors	14,573	14,858
Amounts due to immediate parent undertaking	198,547	110,149
Amounts due to fellow subsidiary undertakings	2,855	-
Other taxes and social security costs	21,853	12,512
Other creditors	13,080	12,902
Accruals and deferred income	22,408	22,352
	<u>307,347</u>	<u>200,226</u>

10 Share capital

	2001 No	2000 No	2001 £	2000 £
Authorised:				
Ordinary shares of £1 each	3,000,000	3,000,000	3,000,000	3,000,000
Allotted, issued and fully paid:				
Ordinary shares of £1 each	1,250,002	1,250,002	<u>1,250,002</u>	<u>1,250,002</u>

11 Profit and loss account

	2001 £	2000 £
At 1 December	(49,447)	799
Retained loss	(138,844)	(50,246)
	<u>(188,291)</u>	<u>(49,447)</u>
At 29 November		

12 Reconciliation of movement in shareholders' funds

	2001 £	2000 £
At 1 December	1,200,555	1,250,801
Loss for the financial period	(138,844)	(50,246)
	<u>1,061,711</u>	<u>1,200,555</u>
At 29 November		

SEIONT MANOR HOTEL LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

13 Contingent liability

At 29 November 2001, the company, along with certain other fellow subsidiary undertakings, has granted a fixed and floating charge over its assets, to a maximum of £5,245,000 (2000: £6,845,000), in respect of certain liabilities of Hand Picked Hotels Limited.

14 Ultimate Parent Company

The company's ultimate parent undertaking is Benfica Limited, which is registered in the Isle of Man. The company's immediate parent is Hand Picked Hotels Limited a company registered in England and Wales. The largest and smallest group, in whose financial statements the results of the company will be consolidated is Hand Picked Hotels Limited. The consolidated accounts 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.