

Registered number  
3784925

## BUXTED PARK HOTEL LIMITED

Report and Accounts

28 November 2002



13/4/03  
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**BUXTED PARK HOTEL LIMITED**  
**Report and accounts**  
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**BUXTED PARK HOTEL LIMITED**  
**Company Information**

**Directors**

R C Felton

J Hands

**Secretary**

Jordans Company Secretaries Limited

**Auditors**

PKF

New Garden House

78 Hatton Garden

London

EC1N 8JA

**Registered office**

The Old Library

The Drive

Sevenoaks

Kent

TN13 3AB

**Registered number**

3784925

## **BUXTED PARK HOTEL LIMITED**

### **Directors' Report**

The directors present their report and accounts for the 52 weeks ended 28 November 2002.

#### **Principal activities**

The company's principal activity during the period continued to be that of the ownership and operation of the Buxted Park 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 28 November 2002.

#### **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 28 November 2002 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 28 November 2002.

#### **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 ensuring that the directors' report and other information included in the financial statements is prepared in accordance with company law in the United Kingdom.

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 PKF as auditors will be put to the forthcoming Annual General Meeting.



J Hands  
Director

## **BUXTED PARK HOTEL LIMITED**

### **Independent auditors' report to the shareholders of BUXTED PARK HOTEL LIMITED**

We have audited the accounts of Buxted Park Hotel Limited for the period ended 28 November 2002 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements 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 financial statements, 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **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 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 the 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 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 28 November 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**PKF**

PKF  
Registered auditor

London  
28 March 2003

**BUXTED PARK HOTEL LIMITED****Profit and Loss Account****for the period from 30 November 2001 to 28 November 2002**

	Notes	52 weeks ended 28 November 2002 £	52 weeks ended 29 November 2001 £
Turnover - continuing operations		1,473,107	1,552,053
Cost of sales		(384,011)	(504,733)
Gross profit		<u>1,089,096</u>	<u>1,047,320</u>
Administrative expenses		(1,357,566)	(1,353,098)
Operating loss - continuing operations	2	<u>(268,470)</u>	<u>(305,778)</u>
Interest payable	4	-	(58)
Loss on ordinary activities before taxation		<u>(268,470)</u>	<u>(305,836)</u>
Tax on loss on ordinary activities	5	(17,000)	-
Retained loss for the period	11	<u>(285,470)</u>	<u>(305,836)</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two periods.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the loss for the above two periods.

**BUXTED PARK HOTEL LIMITED****Balance Sheet****as at 28 November 2002**

	Notes	28 November 2002 £	29 November 2001 £
<b>Fixed assets</b>			
Tangible assets	6	4,457,716	3,479,703
<b>Current assets</b>			
Stocks	7	19,065	21,280
Debtors	8	58,058	140,253
Cash at bank and in hand		<u>2,031</u>	<u>2,100</u>
		79,154	163,633
<b>Creditors: amounts falling due within one year</b>	9	(1,972,924)	(810,920)
<b>Net current liabilities</b>		<u>(1,893,770)</u>	<u>(647,287)</u>
<b>Total assets less current liabilities</b>		<u>2,563,946</u>	<u>2,832,416</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	5	(17,000)	-
		<u>2,546,946</u>	<u>2,832,416</u>
<b>Capital and reserves</b>			
Called up share capital	10	3,200,002	3,200,002
Profit and loss account	11	(653,056)	(367,586)
<b>Shareholders' funds</b>	12	<u>2,546,946</u>	<u>2,832,416</u>



J Hands

Director

Approved by the board on 24 March 2003

# **BUXTED PARK HOTEL LIMITED**

## **Notes to the Accounts**

**for the period from 30 November 2001 to 28 November 2002**

### **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.

#### ***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 core	50 years
Freehold buildings surface finishes and services	20 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***

Deferred tax is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using a full provision basis. This is a change of accountancy policy required by the implementation of Financial Reporting Standard No. 19 "Deferred tax". The effect of the new policy is to increase the loss for the year by £17,000 and decrease reserves at the year end by £17,000. There is no material impact on the prior period.

#### ***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.



**BUXTED PARK HOTEL LIMITED****Notes to the Accounts****for the period from 30 November 2001 to 28 November 2002**

<b>2 Operating loss</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	94,481	70,297
Other operating leases	478	4,029
Auditors' remuneration	2,600	5,000
	<u>97,559</u>	<u>79,326</u>

<b>3 Staff costs</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Wages and salaries	662,902	668,673
Social security costs	48,473	50,330
Other pension costs	5,736	1,408
	<u>717,111</u>	<u>720,411</u>

None of the directors received any remuneration for the period (2001: £nil)

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Hotel operations	36	41
Administration	5	5
	<u>41</u>	<u>46</u>

<b>4 Interest payable</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>-</u>	<u>58</u>

<b>5 Taxation</b>	<b>2002</b>	<b>2001</b>
<b>Current year charge</b>	<b>£</b>	<b>£</b>
Corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	(17,000)	-
Total tax	<u>(17,000)</u>	<u>-</u>

# BUXTED PARK HOTEL LIMITED

## Notes to the Accounts

for the period from 30 November 2001 to 28 November 2002

	2002 £	2001 £
<b>Factors affecting tax charge for the period</b>		
Profit on ordinary activities before tax	(268,470)	(305,836)
Profit on ordinary activities multiplied by standard rate of corporation tax (30%)	(80,541)	(91,751)
<i>Explained by:</i>		
Expenses not deductible for tax purposes	209	-
Capital allowances for period in excess of depreciation	(41,378)	-
Depreciation for period in excess of capital allowances	-	4,277
Losses carried forward for future offset	121,710	-
Group relief surrendered	-	87,474
<b>Total current tax</b>	-	-
<b>Deferred tax</b>	£	
At 30 November 2001	-	
Charged to profit and loss	(17,000)	
At 28 November 2002	(17,000)	
Deferred tax is analysed as follows:		
Short term timing differences	122,000	
Accelerated capital allowances	(139,000)	
	(17,000)	

## 6 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 30 November 2001	2,892,823	756,045	3,648,868
Additions	560,000	512,494	1,072,494
At 28 November 2002	3,452,823	1,268,539	4,721,362
<b>Depreciation</b>			
At 30 November 2001	30,212	138,953	169,165
Charge for the 52 weeks	16,804	77,677	94,481
At 28 November 2002	47,016	216,630	263,646
<b>Net book value</b>			
At 28 November 2002	3,405,807	1,051,909	4,457,716
At 29 November 2001	2,862,611	617,092	3,479,703

Included in freehold land and buildings is freehold land of £785,514 (2001: £785,514) which is not depreciated.

# **BUXTED PARK HOTEL LIMITED**

## **Notes to the Accounts**

**for the period from 30 November 2001 to 28 November 2002**

<b>7 Stocks</b>			<b>2002</b>	<b>2001</b>
			£	£
Goods for resale			<u>19,065</u>	<u>21,280</u>
<b>8 Debtors</b>			<b>2002</b>	<b>2001</b>
			£	£
Trade debtors			45,965	99,589
Amounts due from fellow subsidiary undertakings			321	263
Other debtors			6,640	33,593
Prepayments and accrued income			<u>5,132</u>	<u>6,808</u>
			<u>58,058</u>	<u>140,253</u>
<b>9 Creditors: amounts falling due within one year</b>			<b>2002</b>	<b>2001</b>
			£	£
Bank loans and overdrafts			99	41,912
Payments in advance			75,299	91,535
Trade creditors			43,856	33,876
Amounts due to immediate parent undertaking			1,773,422	538,107
Amounts due to fellow subsidiary undertakings			1,174	9,241
Other taxes and social security costs			54,904	40,246
Other creditors			2,524	2,617
Accruals and deferred income			<u>21,646</u>	<u>53,386</u>
			<u>1,972,924</u>	<u>810,920</u>
<b>10 Share capital</b>	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	No	No	£	£
Authorised:				
Ordinary shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000
Allotted, issued and fully paid:				
Ordinary shares of £1 each	3,200,002	3,200,002	<u>3,200,002</u>	<u>3,200,002</u>
<b>11 Profit and loss account</b>			<b>2002</b>	<b>2001</b>
			£	£
At 30 November 2001			(367,586)	(61,750)
Retained loss			(285,470)	(305,836)
At 28 November 2002			<u>(653,056)</u>	<u>(367,586)</u>

## **BUXTED PARK HOTEL LIMITED**

### **Notes to the Accounts**

**for the period from 30 November 2001 to 28 November 2002**

#### **12 Reconciliation of movement in shareholders' funds**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
At 30 November 2001	2,832,416	3,138,252
Loss for the financial 52 weeks	(285,470)	(305,836)
At 28 November 2002	<u>2,546,946</u>	<u>2,832,416</u>

#### **13 Contingent liability**

At 28 November 2002, 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 (2001: £5,245,000), 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.

The controlling party is Mr G Hands.

**BUXTED PARK HOTEL LIMITED****Profit and Loss Account****for the period from 30 November 2001 to 28 November 2002***for the information of the directors only*

	<b>52 weeks ended 28 November 2002 £</b>	<b>52 weeks ended 29 November 2001 £</b>
<b>Sales</b>	1,473,107	1,552,053
Cost of sales	(384,011)	(504,733)
<b>Gross profit</b>	<u>1,089,096</u>	<u>1,047,320</u>
Administrative expenses	(1,357,566)	(1,353,098)
<b>Operating loss</b>	<u>(268,470)</u>	<u>(305,778)</u>
Interest payable	-	(58)
<b>Loss before tax</b>	<u>(268,470)</u>	<u>(305,836)</u>

**BUXTED PARK HOTEL LIMITED****Schedule to the Profit and Loss Account****for the period from 30 November 2001 to 28 November 2002***for the information of the directors only*

	52 weeks ended 28 November 2002 £	52 weeks ended 29 November 2001 £
<b>Sales</b>		
Sales	<u>1,473,107</u>	<u>1,552,053</u>
<b>Cost of sales</b>		
Purchases	249,599	354,350
Commissions payable	11,817	37,283
Other direct costs	<u>122,595</u>	<u>113,100</u>
	<u>384,011</u>	<u>504,733</u>
<b>Administrative expenses</b>		
Employee costs:		
Wages and salaries	660,887	668,673
Pensions	5,736	1,408
Bonuses	2,015	-
Employer's NI	48,473	50,330
Temporary staff and recruitment	11,836	15,917
Staff training and welfare	(1,669)	9,561
Travel and subsistence	5,086	4,638
Motor expenses	1,831	6,616
Entertaining	<u>2,314</u>	<u>6,927</u>
	<u>736,509</u>	<u>764,070</u>
Premises costs:		
Rates	44,247	45,676
Service charges / water rates	14,491	23,146
Light and heat	47,368	58,760
Cleaning / waste removal	<u>3,526</u>	<u>4,406</u>
	<u>109,632</u>	<u>131,988</u>
General administrative expenses:		
Telephone and fax	10,751	19,360
Postage	3,878	2,791
Stationery and printing	15,286	18,371
Subscriptions	(4,260)	-
Bank charges	12,229	11,957
Insurance	32,857	11,831
Software/hardware	13,090	9,760
Repairs and maintenance	160,877	105,501
Depreciation	94,481	70,297
Prior Yr P&L Stat adj	(3)	(80,800)
Bad debts & provision	(2,199)	9,938
Sundry expenses	<u>6,858</u>	<u>26,446</u>
	<u>343,845</u>	<u>205,452</u>
Legal and professional costs:		
Audit fees	2,600	-
Management fees	104,299	216,854
Advertising and PR	48,835	27,288

**BUXTED PARK HOTEL LIMITED****Schedule to the Profit and Loss Account****for the period from 30 November 2001 to 28 November 2002***for the information of the directors only*

	52 weeks ended 28 November 2002	52 weeks ended 29 November 2001
	£	£
Other legal and professional	11,846	7,446
	<u>167,580</u>	<u>251,588</u>
	<u>1,357,566</u>	<u>1,353,098</u>