

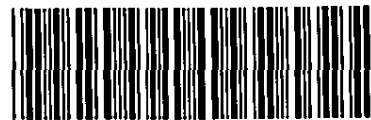
Registered number  
3784925

BUXTED PARK HOTEL LIMITED

Report and Accounts

27 November 2008

TUESDAY



\*L5B66AK7\*  
LD4 09/06/2009 100  
COMPANIES HOUSE

**BUXTED PARK HOTEL LIMITED**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Company information	1
Directors' report	2
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

**BUXTED PARK HOTEL LIMITED**  
**Company Information**

**Directors**

K Arkley  
J Hands

**Secretary**

Jordans Company Secretaries Limited

**Auditors**

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London, UK  
EC1M 3AP

**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 period ended 27 November 2008.

#### **Principal activities**

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

#### **Business review**

The hotel operated successfully within the upmarket country house hotel business during the year through a programme of:

- asset refurbishment
- improvements to services and facilities

#### **Results**

The hotel turnover has increased by 14.0% to £3.5m, this increase in revenues has been achieved by most areas of the business. Operating profits have more than doubled compared to the previous year to £0.3m. EBITDA for the year was £0.78m compared to £0.48m for 2007.

The hotel is now well positioned for further growth, driven by investment that will deliver significant increases in sales and EBITDA. The ongoing improvement in brand perception together with the continued drive towards excellence in service provision will also contribute to future growth.

#### **Expansion for the future**

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

#### **Operating risks**

The directors consider the following to be principal risks and uncertainties facing the group:

- economic recession;
- timely completion of development projects;
- changes to government regulations including legislation on employees, environmental and health and safety;
- natural disasters

The directors take a regular review of the company's exposure to these risks.

#### **Environment**

The hotel operates in a beautiful location and it is in our best interests to minimise the impact upon the environment, particularly by energy saving initiatives within the hotel.

#### **Personnel**

We clearly understand that our employees are the most valuable asset in the company. We continue to invest in training and skills development programmes. We intend to continue our philosophy and invest in our staff. The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

## **BUXTED PARK HOTEL LIMITED**

### **Directors' Report**

#### **Financial instruments**

The company is exposed to the usual credit risk and cash flow movement involved with selling on credit and manages this through the company credit policy. The policy is to finance working capital through retained earnings and finance fixed assets through long term borrowings on fixed rates. The company and the group of which it is part have borrowings in sterling on fixed and floating rates with an interest rate swap in place, the profile of which is reviewed on a regular basis. The counterparty to the majority of the group's financial instruments is its bankers; the company is exposed to minimal credit and liquidity risks in respect of these instruments.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of the company's financial position or profit.

#### **Dividends**

No dividends will be distributed for the period ended 27 November 2008 (2007 £Nil).

#### **Directors**

The directors who served during the period under review were:

K. Arkley	- appointed	30 June 2008
R.C. Felton	- resigned	30 June 2008
J. Hands		

#### **Statement of Directors' responsibilities**

The directors are responsible for preparing the annual 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). The financial statements are required to 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 judgments and 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.

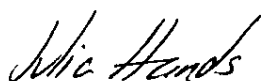
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Provision of information to auditors**

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

This report was approved by the board on *12* May 2009.



J Hands  
Director

## **BUXTED PARK HOTEL LIMITED**

### **Independent auditors' report**

#### **to the members of BUXTED PARK HOTEL LIMITED**

We have audited the accounts of Buxted Park Hotel Limited for the period ended 27 November 2008 which comprise the profit and loss account, the balance sheet and the related notes. The 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 ('United Kingdom Generally Accepted Accounting Practice') 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 27 November 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

PKF (UK) LLP

PKF (UK) LLP

Registered auditors

London, UK

~~May 2009~~

1 June 2009

**BUXTED PARK HOTEL LIMITED****Profit and Loss Account****for the period from 30 November 2007 to 27 November 2008**

		<b>Period ended 27 November 2008 £</b>	<b>Period ended 29 November 2007 £</b>
	<b>Notes</b>		
<b>Turnover</b>		3,477,646	3,049,950
Cost of sales		(736,421)	(649,369)
<b>Gross profit</b>		<u>2,741,225</u>	<u>2,400,581</u>
Administrative expenses		(2,438,167)	(2,298,601)
<b>Operating profit</b>	2	<u>303,058</u>	<u>101,980</u>
<b>Profit on ordinary activities before taxation</b>		<u>303,058</u>	<u>101,980</u>
Tax on profit on ordinary activities	4	-	53,000
<b>Profit for the period</b>	10	<u>303,058</u>	<u>154,980</u>

**Continuing operations**

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

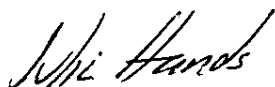
**Statement of total recognised gains and losses**

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

**BUXTED PARK HOTEL LIMITED****Balance Sheet****as at 27 November 2008**

	Notes	27 November 2008 £	29 November 2007 £
<b>Fixed assets</b>			
Tangible assets	5	7,318,637	7,657,602
<b>Current assets</b>			
Stocks	6	37,548	35,990
Debtors	7	207,114	132,833
Cash at bank and in hand		998	7,323
		<u>245,660</u>	<u>176,146</u>
<b>Creditors: amounts falling due within one year</b>	8	(4,601,159)	(5,173,668)
<b>Net current liabilities</b>		<u>(4,355,499)</u>	<u>(4,997,522)</u>
<b>Total assets less current liabilities</b>		<u>2,963,138</u>	<u>2,660,080</u>
<b>Capital and reserves</b>			
Called up share capital	9	3,200,002	3,200,002
Profit and loss account	10	(236,864)	(539,922)
<b>Shareholders' funds</b>	11	<u>2,963,138</u>	<u>2,660,080</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 May 2009



J Hands  
Director



# **BUXTED PARK HOTEL LIMITED**

## **Notes to the Accounts**

**for the period from 30 November 2007 to 27 November 2008**

### **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. It is recognised at the point at which goods and services are delivered to the customer.

#### ***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
Fixtures and fittings	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***

As required by Financial Reporting Standard 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing difference between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which FRS19 specifies that deferred tax should not be recognised.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax balances are not discounted.

#### ***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.

**BUXTED PARK HOTEL LIMITED****Notes to the Accounts****for the period from 30 November 2007 to 27 November 2008****1 Accounting policies (continued)*****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.

<b>2 Operating profit</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	472,047	377,088
Other operating leases	1,605	1,314
Auditors' remuneration	2,629	2,600
	<u>476,281</u>	<u>381,002</u>

<b>3 Staff costs</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,126,867	1,044,214
Social security costs	96,788	89,607
Other pension costs	15,477	14,658
Sub total	<u>1,239,132</u>	<u>1,148,479</u>
Agency staff	18,499	35,669
Total	<u>1,257,631</u>	<u>1,184,148</u>

None of the directors received any remuneration for the period (2007: £nil).

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Hotel operations	53	48
Administration	5	5
	<u>58</u>	<u>53</u>

**BUXTED PARK HOTEL LIMITED****Notes to the Accounts****for the period from 30 November 2007 to 27 November 2008****4 Taxation**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Current year charge</b>		
Corporation tax	-	-
Total current tax	-	-
Deferred taxation	-	(53,000)
Total tax	-	(53,000)

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Factors affecting tax charge for the period</b>		
Profit on ordinary activities before tax	303,058	101,980
Profit on ordinary activities multiplied by standard rate of corporation tax 28.7% (2007: 30%)	86,978	30,594
<i>Explained by:</i>		
Expenses not deductible for corporation tax purposes	74,130	48,932
Depreciation in excess of / (less than) capital allowances	61,422	(23,540)
Non taxable income	(51,677)	(64,347)
Losses brought forward utilised in the period	(111,753)	-
Losses carried forward for future offset	-	8,361
Group relief claimed	(59,100)	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>	<b>£</b>	
At 30 November 2007	-	
(Charged) / credited to profit and loss in the period	-	
At 27 November 2008	-	

The company has unrecognised deferred tax assets of £75,000 (2007: £9,000) and £nil (2007: £109,000) in respect of depreciation charged in excess of capital allowances at the end of the period and trade losses carried forward available for offset against future trading profits respectively.

**BUXTED PARK HOTEL LIMITED****Notes to the Accounts****for the period from 30 November 2007 to 27 November 2008****5 Tangible fixed assets**

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 30 November 2007	3,688,301	5,387,836	9,076,137
Additions	-	133,082	133,082
Disposals	-	(1,728)	(1,728)
At 27 November 2008	<u>3,688,301</u>	<u>5,519,190</u>	<u>9,207,491</u>
<b>Depreciation</b>			
At 30 November 2007	189,804	1,228,731	1,418,535
Charge for the period	29,186	442,861	472,047
On disposals	-	(1,728)	(1,728)
At 27 November 2008	<u>218,990</u>	<u>1,669,864</u>	<u>1,888,854</u>
<b>Net book value</b>			
At 27 November 2008	<u>3,469,311</u>	<u>3,849,326</u>	<u>7,318,637</u>
At 29 November 2007	<u>3,498,497</u>	<u>4,159,105</u>	<u>7,657,602</u>

Included in freehold land and buildings is freehold land of £785,514 (2007: £785,514) which is not depreciated.

**6 Stocks**

	2008 £	2007 £
Goods for resale	<u>37,548</u>	<u>35,990</u>

**7 Debtors**

	2008 £	2007 £
Trade debtors	113,188	100,880
Amounts due from fellow group undertakings	3,427	2,693
Other debtors	60,617	7,854
Prepayments and accrued income	<u>29,882</u>	<u>21,406</u>
	<u>207,114</u>	<u>132,833</u>

**BUXTED PARK HOTEL LIMITED****Notes to the Accounts****for the period from 30 November 2007 to 27 November 2008**

<b>8 Creditors: amounts falling due within one year</b>		<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
Bank loans and overdrafts		74,423	-
Payments in advance		422,554	599,053
Trade creditors		43,080	62,048
Amounts due to immediate parent undertaking		3,978,839	4,376,563
Amounts due to fellow group undertakings		9,047	32,656
Other taxes and social security costs		45,446	22,306
Other creditors		5,517	7,703
Accruals and deferred income		22,253	73,339
		<u>4,601,159</u>	<u>5,173,668</u>
<b>9 Share capital</b>		<b>2008</b>	<b>2007</b>
		<b>No</b>	<b>No</b>
Authorised:			
Ordinary shares of £1 each	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>10 Profit and loss account</b>		<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
At 30 November 2007		(539,922)	(694,902)
Profit for the period		303,058	154,980
		<u>(236,864)</u>	<u>(539,922)</u>
<b>11 Reconciliation of movement in shareholders' funds</b>		<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
At 30 November 2007		2,660,080	2,505,100
Profit for the period		303,058	154,980
		<u>2,963,138</u>	<u>2,660,080</u>

## **BUXTED PARK HOTEL LIMITED**

### **Notes to the Accounts**

**for the period from 30 November 2007 to 27 November 2008**

#### **12 Operating leases**

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	<b>Other 2008 £</b>	<b>Other 2007 £</b>
Operating leases which expire: within two to five years	<u>1,605</u>	<u>1,314</u>

#### **13 Contingent liability**

The company has granted fixed and floating charges over its assets in respect of group borrowing facilities. The amount owed by the Hand Picked Hotels Limited group as at 27 November 2008 was £123,139,000.

#### **14 Ultimate parent company**

The company's ultimate parent undertaking is Alscot Sarl, which is registered in Luxembourg. 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.