

Registered number
3784925

BUXTED PARK HOTEL LIMITED

Report and Accounts

25 November 2004



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
Farringdon Place
20 Farringdon Road
London
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 52 weeks ended 25 November 2004.

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 25 November 2004.

Directors

The directors who served during the period under review were:

R.C. Felton

J. Hands

The directors holding office at 25 November 2004 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 27 November 2003 or 25 November 2004, except J Hands, who holds two shares.

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 members of BUXTED PARK HOTEL LIMITED

We have audited the accounts of Buxted Park Hotel Limited for the period ended 25 November 2004 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 25 November 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

PKF
Registered auditors

London

27 April 2005

BUXTED PARK HOTEL LIMITED**Profit and Loss Account****for the period from 28 November 2003 to 25 November 2004**

		52 weeks ended 25 November 2004 £	52 weeks ended 27 November 2003 £
	Notes		
Turnover		2,286,947	1,627,612
Cost of sales		(554,572)	(447,467)
Gross profit		<u>1,732,375</u>	<u>1,180,145</u>
Administrative expenses		(1,717,697)	(1,390,145)
Operating profit/(loss)	2	<u>14,678</u>	<u>(210,000)</u>
Profit/(loss) on ordinary activities before taxation		<u>14,678</u>	<u>(210,000)</u>
Tax on profit/(loss) on ordinary activities	4	-	17,000
Retained profit/(loss) for the period	10	<u>14,678</u>	<u>(193,000)</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/(loss) for the above two periods.

BUXTED PARK HOTEL LIMITED
Balance Sheet
as at 25 November 2004

	Notes	25 November 2004 £	27 November 2003 £
Fixed assets			
Tangible assets	5	5,491,980	5,271,852
Current assets			
Stocks	6	20,718	12,650
Debtors	7	91,745	67,834
Cash at bank and in hand		6,832	26,076
		<u>119,295</u>	<u>106,560</u>
Creditors: amounts falling due within one year	8	(3,242,651)	(3,024,466)
Net current liabilities		<u>(3,123,356)</u>	<u>(2,917,906)</u>
		<u>2,368,624</u>	<u>2,353,946</u>
Capital and reserves			
Called up share capital	9	3,200,002	3,200,002
Profit and loss account	10	(831,378)	(846,056)
Shareholders' funds	11	<u>2,368,624</u>	<u>2,353,946</u>



J Hands
Director

Approved by the board on 20 April 2005

BUXTED PARK HOTEL LIMITED

Notes to the Accounts

for the period from 28 November 2003 to 25 November 2004

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 the full provision basis set out in Financial Reporting Standard 19.

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 28 November 2003 to 25 November 2004**

2 Operating loss	2004	2003
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	212,592	163,319
Other operating leases	1,260	1,260
Auditors' remuneration - audit fees	<u>2,600</u>	<u>2,600</u>

3 Staff costs	2004	2003
	£	£
Wages and salaries	797,548	667,988
Social security costs	63,555	48,481
Other pension costs	<u>7,217</u>	<u>5,829</u>
	<u>868,320</u>	<u>722,298</u>

None of the directors received any remuneration for the period (2003: £nil)

Average number of employees during the year	Number	Number
Hotel operations	45	34
Administration	<u>5</u>	<u>5</u>
	<u>50</u>	<u>39</u>

4 Taxation	2004	2003
	£	£
Current year charge		
Corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	-	(17,000)
Total tax	<u>-</u>	<u>(17,000)</u>

BUXTED PARK HOTEL LIMITED**Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004****4 Taxation (continued)**

	2004 £	2003 £
Factors affecting tax charge for the period		
Profit/(loss) on ordinary activities before tax	14,678	(210,000)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax (30%)	4,403	(63,000)
<i>Explained by:</i>		
Expenses not deductible for tax purposes	9,373	2,739
Capital allowances for period in excess of depreciation	(43,178)	(52,797)
Losses carried forward for future offset	29,402	113,058
Total current tax	-	-
Deferred tax	£	
At 28 November 2003	-	
Credited to profit and loss	-	
At 25 November 2004	-	
 Deferred tax is analysed as follows:		
Losses	234,500	
Accelerated capital allowances	(234,500)	
	-	

There are trading losses carried forward of £855,000 (2003 £816,000) available for offset against future trading profits. At the period end there is a deferred tax liability arising on accelerated capital allowances of £234,500 and a deferred tax asset arising on losses of £256,500. The net deferred tax asset has not been recognised as the recoverability of the asset is uncertain.

BUXTED PARK HOTEL LIMITED**Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004****5 Tangible fixed assets**

	Freehold land and buildings £	Plant and machinery £	Total £
Cost			
At 28 November 2003	3,688,301	1,979,133	5,667,434
Additions	-	432,720	432,720
At 25 November 2004	<u>3,688,301</u>	<u>2,411,853</u>	<u>6,100,154</u>
Depreciation			
At 28 November 2003	73,062	322,520	395,582
Charge for the 52 weeks	29,186	183,406	212,592
At 25 November 2004	<u>102,248</u>	<u>505,926</u>	<u>608,174</u>
Net book value			
At 25 November 2004	<u>3,586,053</u>	<u>1,905,927</u>	<u>5,491,980</u>
At 27 November 2003	<u>3,615,239</u>	<u>1,656,613</u>	<u>5,271,852</u>

Included in freehold land and buildings is freehold land of £785,514 (2003: £785,514) which is not depreciated.

6 Stocks

	2004 £	2003 £
Goods for resale	<u>20,718</u>	<u>12,650</u>

7 Debtors

	2004 £	2003 £
Trade debtors	73,053	51,107
Amounts due from fellow subsidiary undertakings	1,656	1,633
Other debtors	9,293	7,813
Prepayments and accrued income	7,743	7,281
	<u>91,745</u>	<u>67,834</u>

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Payments in advance	382,445	235,088
Trade creditors	102,549	50,038
Amounts due to immediate parent undertaking	2,641,807	2,649,512
Amounts due to fellow subsidiary undertakings	2,221	1,643
Other taxes and social security costs	84,185	65,897
Other creditors	4,300	2,629
Accruals and deferred income	25,144	19,659
	<u>3,242,651</u>	<u>3,024,466</u>

BUXTED PARK HOTEL LIMITED**Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004**

9 Share capital	2004 No	2003 No	2004 £	2003 £
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>

10 Profit and loss account	2004 £	2003 £
At 28 November 2003	(846,056)	(653,056)
Retained profit/(loss)	14,678	(193,000)
At 25 November 2004	<u>(831,378)</u>	<u>(846,056)</u>

11 Reconciliation of movement in shareholders' funds	2004 £	2003 £
At 28 November 2003	2,353,946	2,546,946
Profit/(loss) for the financial 52 weeks	14,678	(193,000)
At 25 November 2004	<u>2,368,624</u>	<u>2,353,946</u>

12 Capital commitments

The amounts contracted for but not provided for in the accounts amount to £Nil (2003 £64,289). This amount related to the refurbishment of the hotel property.

13 Contingent liability

At 25 November 2004, 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 (2003: £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.