

Registered number
3784925

BUXTED PARK HOTEL LIMITED

Report and Accounts

26 November 2009

THURSDAY



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BUXTED PARK HOTEL LIMITED
Report and accounts
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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 26 November 2009

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

During the year the hotel maintained and developed its operation within the upmarket country house hotel business through a programme of

- asset refurbishment
- improvements to services and facilities

Results

The hotel turnover has decreased by 11.5% to £3.08m. The company has made an operating loss of £8k compared to an operating profit in the previous period of £303k. EBITDA for the year was £0.47m compared to £0.78m for 2008.

The hotel is now well positioned for growth as the market recovers, 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 (continued)

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 result.

Dividends

No dividends will be distributed for the period ended 28 November 2009 (2008 £Nil)

Directors

The directors who served during the period under review were

K Arkley

J Hands

Statement of Directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and estimates that are reasonable and prudent, and
- 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 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 24 May 2010



J Hands
Director

BUXTED PARK HOTEL LIMITED
Independent auditors' report
to the members of BUXTED PARK HOTEL LIMITED

We have audited the financial statements of Buxted Park Hotel Limited for the period ended 26 November 2009 which comprise the profit and loss account, the balance sheet 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 directors' responsibilities statement, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 26 November 2009 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year 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.

PKF (UK) LLP

Stuart Collins (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors

London, UK

~~May 2010~~

16 June 2010

BUXTED PARK HOTEL LIMITED**Profit and Loss Account****for the period from 28 November 2008 to 26 November 2009**

| | | Period ended 26 November 2009 £ | Period ended 27 November 2008 £ |
|--|--------------|--|--|
| | Notes | | |
| Turnover | | 3,076,959 | 3,477,646 |
| Cost of sales | | (647,586) | (736,421) |
| Gross profit | | <u>2,429,373</u> | <u>2,741,225</u> |
| Administrative expenses | | (2,437,781) | (2,438,167) |
| Operating (loss)/profit | 2 | <u>(8,408)</u> | <u>303,058</u> |
| Interest payable | 4 | (254,242) | - |
| (Loss)/profit on ordinary activities before and after taxation and for the year | 11 | <u>(262,650)</u> | <u>303,058</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)/profit for the above two periods

BUXTED PARK HOTEL LIMITED

Registered number 3784925

Balance Sheet

as at 26 November 2009

| | Notes | 26 November 2009 £ | 27 November 2008 £ |
|---|-------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 6,958,470 | 7,318,637 |
| Current assets | | | |
| Stocks | 7 | 31,738 | 37,548 |
| Debtors | 8 | 103,849 | 207,114 |
| Cash at bank and in hand | | 31,819 | 998 |
| | | <u>167,406</u> | <u>245,660</u> |
| Creditors, amounts falling due within one year | 9 | (4,425,388) | (4,601,159) |
| Net current liabilities | | <u>(4,257,982)</u> | <u>(4,355,499)</u> |
| Total assets less current liabilities | | <u>2,700,488</u> | <u>2,963,138</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 3,200,002 | 3,200,002 |
| Profit and loss account | 11 | (499,514) | (236,864) |
| Shareholders' funds | 12 | <u>2,700,488</u> | <u>2,963,138</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2010



J Hands
Director

BUXTED PARK HOTEL LIMITED

Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

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

BUXTED PARK HOTEL LIMITED**Notes to the Accounts****for the period from 28 November 2008 to 26 November 2009****1 Accounting policies (continued)*****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

| 2 Operating (loss)/profit | 2009 | 2008 |
|------------------------------------|-------------|-------------|
| | £ | £ |
| This is stated after charging | | |
| Depreciation of owned fixed assets | 482,450 | 472,047 |
| Other operating leases | 1,506 | 1,605 |
| Auditors' remuneration | 3,120 | 2,629 |

| 3 Staff costs | 2009 | 2008 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,087,155 | 1,126,867 |
| Social security costs | 89,372 | 96,788 |
| Other pension costs | 16,272 | 15,477 |
| | <u>1,192,799</u> | <u>1,239,132</u> |
| Agency staff | 1,433 | 18,499 |
| | <u>1,194,232</u> | <u>1,257,631</u> |

None of the directors received any remuneration for the period (2008 £nil)

| Average number of employees during the year | Number | Number |
|--|---------------|---------------|
| Hotel operations | 41 | 53 |
| Administration | 6 | 5 |
| | <u>47</u> | <u>58</u> |

| 4 Interest payable | 2009 | 2008 |
|---------------------------|----------------|-------------|
| | £ | £ |
| Group interest payable | <u>254,242</u> | <u>-</u> |

BUXTED PARK HOTEL LIMITED**Notes to the Accounts****for the period from 28 November 2008 to 26 November 2009****5 Taxation**

| | 2009 | 2008 |
|----------------------------|-------------|-------------|
| | £ | £ |
| Current year charge | | |
| Corporation tax | - | - |
| Total current tax | - | - |
| Deferred taxation | | |
| Total tax | - | - |

| | 2009 | 2008 |
|---|-------------|-------------|
| | £ | £ |
| Factors affecting tax charge for the period | | |
| (Loss)/profit on ordinary activities before tax | (262,650) | 303,058 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax 28.0% (2008 28.7%) | (73,542) | 86,978 |
| <i>Explained by</i> | | |
| Expenses not deductible for corporation tax purposes | 80,612 | 74,130 |
| Depreciation in excess of capital allowances | 54,453 | 61,422 |
| Non taxable income | (35,846) | (51,677) |
| Losses brought forward utilised in the period | - | (111,753) |
| Group relief claimed | (25,677) | (59,100) |
| Total current tax | - | - |

The company has an unrecognised deferred tax asset of £136,500 (2008 £75,000) in respect of depreciation charged in excess of capital allowances at the end of the period

BUXTED PARK HOTEL LIMITED

Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

6 Tangible fixed assets

| | Freehold land and buildings £ | Fixtures and fittings £ | Total £ |
|-----------------------|--|-------------------------------|------------------|
| Cost | | | |
| At 28 November 2008 | 3,688,301 | 5,519,190 | 9,207,491 |
| Additions | - | 122,283 | 122,283 |
| Disposals | - | (66,923) | (66,923) |
| At 26 November 2009 | <u>3,688,301</u> | <u>5,574,550</u> | <u>9,262,851</u> |
| Depreciation | | | |
| At 28 November 2008 | 218,990 | 1,669,864 | 1,888,854 |
| Charge for the period | 29,186 | 453,264 | 482,450 |
| On disposals | - | (66,923) | (66,923) |
| At 26 November 2009 | <u>248,176</u> | <u>2,056,205</u> | <u>2,304,381</u> |
| Net book value | | | |
| At 26 November 2009 | <u>3,440,125</u> | <u>3,518,345</u> | <u>6,958,470</u> |
| At 27 November 2008 | <u>3,469,311</u> | <u>3,849,326</u> | <u>7,318,637</u> |

Included in freehold land and buildings is freehold land of £785,514 (2008 £785,514) which is not depreciated

7 Stocks

| | 2009 £ | 2008 £ |
|------------------|---------------|---------------|
| Goods for resale | <u>31,738</u> | <u>37,548</u> |

8 Debtors

| | 2009 £ | 2008 £ |
|--|----------------|----------------|
| Trade debtors | 28,170 | 113,188 |
| Amounts due from fellow group undertakings | - | 3,427 |
| Other debtors | 55,726 | 60,617 |
| Prepayments and accrued income | <u>19,953</u> | <u>29,882</u> |
| | <u>103,849</u> | <u>207,114</u> |

9 Creditors: amounts falling due within one year

| | 2009 £ | 2008 £ |
|---|------------------|------------------|
| Bank loans and overdrafts | - | 74,423 |
| Payments in advance | 529,356 | 422,554 |
| Trade creditors | 95,284 | 43,080 |
| Amounts due to immediate parent undertaking | 3,655,431 | 3,978,839 |
| Amounts due to fellow group undertakings | - | 9,047 |
| Other taxes and social security costs | 48,122 | 45,446 |
| Other creditors | 13,573 | 5,517 |
| Accruals and deferred income | <u>83,622</u> | <u>22,253</u> |
| | <u>4,425,388</u> | <u>4,601,159</u> |

BUXTED PARK HOTEL LIMITED**Notes to the Accounts****for the period from 28 November 2008 to 26 November 2009**

| 10 Share capital | 2009 No | 2008 No | 2009 £ | 2008 £ |
|---|--------------------|--------------------|-------------------|-------------------|
| 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> |

| 11 Profit and loss account | 2009 £ | 2008 £ |
|-----------------------------------|-------------------|-------------------|
| At 28 November 2008 | (236,864) | (539,922) |
| (Loss)/profit for the period | (262,650) | 303,058 |
| At 26 November 2009 | <u>(499,514)</u> | <u>(236,864)</u> |

| 12 Reconciliation of movement in shareholders' funds | 2009 £ | 2008 £ |
|---|-------------------|-------------------|
| At 28 November 2008 | 2,963,138 | 2,660,080 |
| (Loss)/profit for the period | (262,650) | 303,058 |
| At 26 November 2009 | <u>2,700,488</u> | <u>2,963,138</u> |

13 Operating leases

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

| | Other 2009 £ | Other 2008 £ |
|---|-----------------------------|-----------------------------|
| Operating leases which expire within two to five years | <u>1,506</u> | <u>1,605</u> |

14 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 26 November 2009 was £98,596,500

15 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