

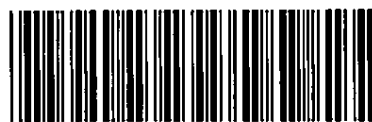
Registered number  
3785379

NORTON CRATHORNE (NO.2) LIMITED

Report and Accounts

29 November 2007

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**NORTON CRATHORNE (NO.2) LIMITED**  
**Report and accounts**  
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**NORTON CRATHORNE (NO.2) LIMITED**  
**Company Information**

**Directors**

R C Felton

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**

3785379

## **NORTON CRATHORNE (NO.2) LIMITED**

### **Directors' Report**

The directors present their report and accounts for the period ended 29 November 2007

#### **Principal activities**

The company's principal activity during the year continued to be that of the ownership of the freehold of the Crathorne Hall and Norton House hotels

#### **Review of business and future developments**

The results for the period and financial position of the company are as shown in the annexed financial statements. The directors are optimistic as to the future success of the company.

#### **Dividends**

No dividends will be distributed for the period ended 29 November 2007 (2006 £Nil)

#### **Directors**

The directors who served during the period under review were

R C Felton

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.

**NORTON CRATHORNE (NO.2) LIMITED**

**Directors' Report (continued)**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on *16* May 2008

A handwritten signature in black ink, appearing to read 'J Hands', written in a cursive style.

J Hands  
Director

## **NORTON CRATHORNE (NO.2) LIMITED**

### **Independent auditors' report**

#### **to the members of NORTON CRATHORNE (NO.2) LIMITED**

We have audited the accounts of Norton Crathorne (No 2) Limited for the period ended 29 November 2007 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 29 November 2007 and of its loss 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

23 May 2008

**NORTON CRATHORNE (NO.2) LIMITED****Profit and Loss Account****for the period from 1 December 2006 to 29 November 2007**

	Notes	Period ended 29 November 2007 £	Period ended 30 November 2006 £
Turnover		3,500	3,500
Administrative expenses		(85,000)	(85,000)
Operating loss	2	<u>(81,500)</u>	<u>(81,500)</u>
Loss on ordinary activities before taxation		<u>(81,500)</u>	<u>(81,500)</u>
Tax on loss on ordinary activities	4	52,405	12,030
Loss for the period	8	<u>(29,095)</u>	<u>(69,470)</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

**NORTON CRATHORNE (NO.2) LIMITED****Balance Sheet**

as at 29 November 2007

	Notes	29 November 2007 £	30 November 2006 £
<b>Fixed assets</b>			
Tangible assets	5	6,170,567	6,255,252
<b>Creditors: amounts falling due within one year</b>	6	(1,150,444)	(1,153,629)
<b>Net current liabilities</b>		<u>(1,150,444)</u>	<u>(1,153,629)</u>
<b>Total assets less current liabilities</b>		<u>5,020,123</u>	<u>5,101,623</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	4	-	(52,405)
		<u>5,020,123</u>	<u>5,049,218</u>
<b>Capital and reserves</b>			
Called up share capital	7	5,780,002	5,780,002
Profit and loss account	8	(759,879)	(730,784)
<b>Shareholders' funds</b>	9	<u>5,020,123</u>	<u>5,049,218</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2008



J Hands  
Director



**NORTON CRATHORNE (NO.2) LIMITED**  
**Notes to the Accounts**  
**for the period from 1 December 2006 to 29 November 2007**

**1 Accounting policies**

***Fundamental Accounting Concept***

The accounts have been prepared on a going concern basis on the basis of continuing financial support from Hand Picked Hotels Limited, a company under common control

***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 and represents the income receivable in respect of freehold properties

***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

***Financial Reporting Standard Number 1***

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

***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

**2 Operating loss**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting)		
Operating lease income	(3,500)	(3,500)
Depreciation of owned fixed assets	<u>84,685</u>	<u>84,685</u>

The auditors' remuneration of £750 for the period ended 29 November 2007 (2006 £750) and any tax advice fees for the period have been borne by another group company

**NORTON CRATHORNE (NO.2) LIMITED****Notes to the Accounts****for the period from 1 December 2006 to 29 November 2007**

<b>3 Staff costs</b>	<b>2007</b>	<b>2006</b>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	<u>2</u>	<u>2</u>

There were no staff costs for the period ended 29 November 2007 nor for the period ended 30 November 2006

None of the directors received any remuneration for the period (2006 £nil)

<b>4 Taxation</b>	<b>2007</b>	<b>2006</b>
<b>Current year charge</b>	<b>£</b>	<b>£</b>
Corporation tax	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	-	12,030
Adjustments in respect of prior years	<u>-</u>	<u>-</u>
Total tax	<u>-</u>	<u>12,030</u>

<b>Factors affecting tax charge for the period</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u>(81,500)</u>	<u>(81,500)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax (30%)	(24,450)	(24,450)
<i>Explained by</i>		
Expenses not deductible for corporation tax purposes	25,405	12,414
Capital allowances in excess of depreciation	(40,377)	(27,276)
Losses carried forward for future offset	<u>39,422</u>	<u>39,312</u>
<b>Total current tax</b>	<u>-</u>	<u>-</u>

<b>Deferred tax</b>	<b>£</b>
At 1 December 2006	(52,405)
Credited to profit and loss in the period	<u>52,405</u>
At 29 November 2007	<u>-</u>

There are trading losses carried forward of £940,000 (2006 £808,000) available for offset against future trading profits

**NORTON CRATHORNE (NO.2) LIMITED**  
**Notes to the Accounts**  
**for the period from 1 December 2006 to 29 November 2007**

**5 Tangible fixed assets**

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 December 2006	5,875,034	1,082,604	6,957,638
Additions	-	-	-
At 29 November 2007	<u>5,875,034</u>	<u>1,082,604</u>	<u>6,957,638</u>
<b>Depreciation</b>			
At 1 December 2006	229,812	472,574	702,386
Charge for the period	41,381	43,304	84,685
At 29 November 2007	<u>271,193</u>	<u>515,878</u>	<u>787,071</u>
<b>Net book value</b>			
At 29 November 2007	<u>5,603,841</u>	<u>566,726</u>	<u>6,170,567</u>
At 30 November 2006	<u>5,645,222</u>	<u>610,030</u>	<u>6,255,252</u>

Included in freehold land and buildings is freehold land of £1,167,451 (2006 £1,167,451) which is not depreciated

**6 Creditors: amounts falling due within one year**

	2007 £	2006 £
Amounts owed to subsidiary undertakings	826,558	830,058
Amounts owed to related company	<u>323,886</u>	<u>323,571</u>
	<u>1,150,444</u>	<u>1,153,629</u>

The recipient of the amount owed to a related company has confirmed that it is neither their intention nor expectation to seek repayment of any of this amount in the foreseeable future

<b>7 Share capital</b>	2007 No	2006 No	2007 £	2006 £
Authorised				
Ordinary shares of £1 each	7,500,000	7,500,000	7,500,000	7,500,000
Allotted, issued and fully paid				
Ordinary shares of £1 each	5,780,002	5,780,002	<u>5,780,002</u>	<u>5,780,002</u>

**NORTON CRATHORNE (NO.2) LIMITED**  
**Notes to the Accounts**  
**for the period from 1 December 2006 to 29 November 2007**

<b>8 Profit and loss account</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
At 1 December 2006	(730,784)	(661,314)
Loss for the period	(29,095)	(69,470)
At 29 November 2007	<u>(759,879)</u>	<u>(730,784)</u>
<b>9 Reconciliation of movement in shareholders' funds</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
At 1 December 2006	5,049,218	5,118,688
Loss for the period	(29,095)	(69,470)
At 29 November 2007	<u>5,020,123</u>	<u>5,049,218</u>

**10 Contingent liabilities**

On 1 December 2005 the group paid off its bank loans and entered into a new facility. As part of this arrangement, the company, along with certain other fellow subsidiary undertakings, has granted a new fixed and floating charge over the company and certain property and current assets. The amount owed by the Bestmexico group and the Hand Picked Hotels group as at 29 November 2007 was £88,350,000 (2006 £75,350,000).

**11 Related party disclosures**

Amounts due to related companies comprise amounts payable to Hand Picked Hotels Limited, a company which is under common control. The amount of £323,886 (2006 £323,571) represents £321,911 of funds received from Hand Picked Hotels Limited to fund costs associated with the acquisition of the company by the group and £1,975 of company secretarial fees paid by Hand Picked Hotels Limited on behalf of the company.

**12 Ultimate Parent Company**

The company's immediate and ultimate parent undertaking is Bestmexico Limited, which is registered in England and Wales. The results of the company for the period ended 30th November 2006 will not be consolidated in the financial statements of Bestmexico Limited as Bestmexico Limited has taken advantage of the exemption available in section 248 of the Companies Act 1985. The financial statements of Bestmexico 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.