

Registered number
3785379

28

NORTON CRATHORNE (NO 2) LIMITED

Report and Accounts

29 November 2001



NORTON CRATHORNE (NO 2) LIMITED

Report and accounts

Contents

	Page
Company information	1
Directors' report	2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the accounts	7

NORTON CRATHORNE (NO 2) LIMITED
Company Information

Directors

R C Felton

J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

Ernst & Young LLP

Becket House

1 Lambeth Palace Road

London

SE1 7EU

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 2001.

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

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 29 November 2001.

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 29 November 2001 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 29 November 2001.

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 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 Ernst & Young LLP as auditors will be put to the forthcoming Annual General Meeting.

This report was approved by the board on 24 May 2002.



J Hands
Director

NORTON CRATHORNE (NO 2) LIMITED

Independent auditors' report to the shareholders of NORTON CRATHORNE (NO 2) LIMITED

We have audited the accounts of Norton Crathorne (No 2) Limited for the period ended 29 November 2001 which comprise profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes 1 to 12. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with United Kingdom applicable law and Accounting Standards.

It is our responsibility to form an independent opinion, based on our audit on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts 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 accounts, 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 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 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 29 November 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor

London

24 May 2002

NORTON CRATHORNE (NO 2) LIMITED**Profit and Loss Account****for the period from 1 December 2000 to 29 November 2001**

		52 weeks ended 29 November 2001 £	Year ended 30 November 2000 £
Turnover - continuing operations		3,500	3,500
Administrative expenses		(122,510)	(123,269)
Operating loss - continuing operations	2	<u>(119,010)</u>	<u>(119,769)</u>
Loss on ordinary activities before taxation		<u>(119,010)</u>	<u>(119,769)</u>
Tax on loss on ordinary activities	4	-	-
Loss for the period		<u>(119,010)</u>	<u>(119,769)</u>
Retained loss for the period	9	<u>(119,010)</u>	<u>(119,769)</u>

NORTON CRATHORNE (NO 2) LIMITED
Statement of total recognised gains and losses
for the period from 1 December 2000 to 29 November 2001

	Notes	52 weeks ended 29 November 2001 £	Year ended 30 November 2000 £
Loss for the period		(119,010)	(119,769)
Total recognised gains and losses related to the period		<u>(119,010)</u>	<u>(119,769)</u>

NORTON CRATHORNE (NO 2) LIMITED

Balance Sheet

as at 29 November 2001

	Notes	29 November 2001 £	30 November 2000 £
Fixed assets			
Tangible assets	5	5,792,123	5,914,633
Current assets			
Debtors	6	8,179	4,679
Creditors: amounts falling due within one year	7	(322,911)	(322,911)
Net current liabilities		(314,732)	(318,232)
		<u>5,477,391</u>	<u>5,596,401</u>
Capital and reserves			
Called up share capital	8	5,780,002	5,780,002
Profit and loss account	9	(302,611)	(183,601)
Shareholders' funds:			
Equity		<u>5,477,391</u>	<u>5,596,401</u>
	10	<u>5,477,391</u>	<u>5,596,401</u>

J. Hands

J Hands

Director

Approved by the board on 24 May 2002

NORTON CRATHORNE (NO 2) LIMITED
Notes to the Accounts
for the period from 1 December 2000 to 29 November 2001

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 Bestmexico 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 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	50 years
Plant and machinery	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

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

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	2001	2000
	£	£
This is stated after charging/(crediting):		
Operating lease income	(3,500)	(3,500)
Depreciation of owned fixed assets	122,510	122,269
Auditors' remuneration	-	1,000

The auditors' remuneration for the period ended 29 November 2001 has been borne by another group company.

NORTON CRATHORNE (NO 2) LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

3 Staff costs	2001	2000
Average number of employees during the year	Number	Number
Hotel operations	<u>2</u>	<u>2</u>

None of the directors received any remuneration for the period (2000: £nil).

4 Taxation	2001	2000
	£	£
Analysis of charge in period		
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for period

No liability to UK corporation tax arose on ordinary activities for the period ended 29 November 2001 nor for the year ended 30 November 2000 due to the availability of losses within the group.

5 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 December 2000	<u>5,019,297</u>	<u>1,082,604</u>	<u>6,101,901</u>
At 29 November 2001	<u>5,019,297</u>	<u>1,082,604</u>	<u>6,101,901</u>
Depreciation			
At 1 December 2000	42,168	145,100	187,268
Charge for the period	<u>11,556</u>	<u>110,954</u>	<u>122,510</u>
At 29 November 2001	<u>53,724</u>	<u>256,054</u>	<u>309,778</u>
Net book value			
At 29 November 2001	<u>4,965,573</u>	<u>826,550</u>	<u>5,792,123</u>
At 30 November 2000	<u>4,977,129</u>	<u>937,504</u>	<u>5,914,633</u>

Included in freehold land and buildings is freehold land of £1,167,451 (2000: £1,167,451) which is not depreciated.

NORTON CRATHORNE (NO 2) LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

6 Debtors	2001	2000
	£	£
Amounts due from subsidiary undertakings	8,179	4,679
	<u>8,179</u>	<u>4,679</u>

7 Creditors: amounts falling due within one year	2001	2000
	£	£
Amounts owed to related company	321,911	321,911
Accruals and deferred income	1,000	1,000
	<u>322,911</u>	<u>322,911</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.

8 Share capital	2001	2000	2001	2000
	No	No	£	£
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>

9 Profit and loss account	2001	2000
	£	£
At 1 December	(183,601)	(63,832)
Retained loss	(119,010)	(119,769)
	<u>(302,611)</u>	<u>(183,601)</u>

10 Reconciliation of movement in shareholders' funds	2001	2000
	£	£
At 1 December	5,596,401	5,716,170
Loss for the financial period	(119,010)	(119,769)
	<u>5,477,391</u>	<u>5,596,401</u>

NORTON CRATHORNE (NO 2) LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

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 £321,911 (2000: £321,911) represents funds received from Hand Picked Hotels Limited to fund costs associated with the acquisition of the company by the group.

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 29th November 2001 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.