

Registered number
3785379

NORTON CRATHORNE (NO.2) LIMITED

Report and Accounts

25 November 2010

MONDAY



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NORTON CRATHORNE (NO.2) LIMITED
Report and accounts
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NORTON CRATHORNE (NO.2) 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

3785379

NORTON CRATHORNE (NO.2) LIMITED

Directors' Report

The directors present their report and accounts for the period ended 25 November 2010

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 25 November 2010 (2009 £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

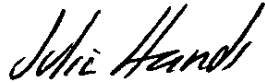
So far as each of the directors is aware at the time the report is approved

- 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

NORTON CRATHORNE (NO.2) LIMITED
Directors' Report (continued)

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the board on 22 March 2011

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 financial statements of Norton Crathorne (No 2) Limited for the period ended 25 November 2010 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 statement of directors' responsibilities, 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 25 November 2010 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 period 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, or
- the directors were not entitled to take advantage of small companies exemptions in preparing the directors' report.

PKF (UK) LLP

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

London, UK

24 March 2011

NORTON CRATHORNE (NO.2) LIMITED**Profit and Loss Account****for the period from 27 November 2009 to 25 November 2010**

		Period ended 25 November 2010 £	Period ended 26 November 2009 £
	Notes		
Turnover		3,500	3,500
Administrative expenses		(85,015)	(85,025)
Operating loss	2	<u>(81,515)</u>	<u>(81,525)</u>
Interest payable	4	(17,000)	(22,361)
Loss on ordinary activities before and after taxation and for the period	9	<u>(98,515)</u>	<u>(103,886)</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**Registered number 3785379****Balance Sheet****as at 25 November 2010**

	Notes	25 November 2010 £	26 November 2009 £
Fixed assets			
Tangible assets	6	5,916,512	6,001,197
Creditors: amounts falling due within one year	7	(1,180,290)	(1,166,460)
Net current liabilities		(1,180,290)	(1,166,460)
Total assets less current liabilities		4,736,222	4,834,737
		<u>4,736,222</u>	<u>4,834,737</u>
Capital and reserves			
Called up share capital	8	5,780,002	5,780,002
Profit and loss account	9	(1,043,780)	(945,265)
Shareholders' funds	10	<u>4,736,222</u>	<u>4,834,737</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 March 2011



J Hands
Director

NORTON CRATHORNE (NO.2) LIMITED
Notes to the Accounts
for the period from 27 November 2009 to 25 November 2010

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and preceding period.

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Basis of preparation: going concern

The Company reports net current liabilities and losses for the period. The parent company, Hand Picked Hotels, has indicated that it will continue to provide financial support as necessary for the foreseeable future to ensure the Company can meet all liabilities as they fall due. On this basis the directors are satisfied that it is appropriate to prepare these accounts on a going concern basis.

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

Cash flow statement

Under the provisions of FRS 1 (Revised) Cash Flow Statements, the Company has not prepared a cash flow statement because its parent company, Hand Picked Hotels Limited, prepares consolidated accounts. The cash flows of the Company are included in the consolidated cash flow statement.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. 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.

NORTON CRATHORNE (NO.2) LIMITED

Notes to the Accounts

for the period from 27 November 2009 to 25 November 2010

2 Operating loss	2010	2009
	£	£
This is stated after charging/(crediting)		
Operating lease income	(3,500)	(3,500)
Depreciation of owned fixed assets	84,685	84,685
	<u>81,185</u>	<u>81,185</u>

The auditors' remuneration for the period ended 25 November 2010 has been borne by another group company

3 Staff costs	2010	2009
	Number	Number
Average number of employees during the year		
Administration	<u>2</u>	<u>2</u>

There were no staff costs for the period ended 25 November 2010 nor for the period ended 26 November 2009

None of the directors received any remuneration for the period (2009 £nil)

4 Interest payable	2010	2009
	£	£
Group interest payable	<u>17,000</u>	<u>22,361</u>

NORTON CRATHORNE (NO.2) LIMITED

Notes to the Accounts

for the period from 27 November 2009 to 25 November 2010

5 Taxation

	2010	2009
	£	£
Current year charge		
Corporation tax	-	-
Total current tax	-	-
Deferred taxation	-	-
Total tax	-	-
	2010	2009
	£	£
Factors affecting tax charge for the period		
Loss on ordinary activities before tax	(98,515)	(103,886)
Loss on ordinary activities multiplied by standard rate of corporation tax 28.0% (2009 28.0%)	(27,584)	(29,088)
<i>Explained by</i>		
Expenses not deductible for corporation tax purposes	23,712	23,711
Depreciation less than capital allowances	(12,700)	-
Non taxable income	-	(22,121)
Income adjustment for tax purposes	431,760	320,740
Group relief claimed	(415,188)	(293,242)
Total current tax	-	-

6 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 27 November 2009 and at 25 November 2010	5,875,034	1,082,604	6,957,638
Depreciation			
At 27 November 2009	353,955	602,486	956,441
Charge for the period	41,381	43,304	84,685
At 25 November 2010	395,336	645,790	1,041,126
Net book value			
At 25 November 2010	5,479,698	436,814	5,916,512
At 26 November 2009	5,521,079	480,118	6,001,197

Included in freehold land and buildings is freehold land of £1,167,451 (2009 £1,167,451) which is not depreciated

NORTON CRATHORNE (NO.2) LIMITED

Notes to the Accounts

for the period from 27 November 2009 to 25 November 2010

7 Creditors: amounts falling due within one year			2010	2009
			£	£
Amounts owed to fellow subsidiary undertakings			816,058	819,558
Amounts owed to parent company			364,232	346,902
			<u>1,180,290</u>	<u>1,166,460</u>
8 Share capital	2010	2009	2010	2009
	No	No	£	£
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			2010	2009
			£	£
At 27 November 2009			(945,265)	(841,379)
Loss for the period			(98,515)	(103,886)
			<u>(1,043,780)</u>	<u>(945,265)</u>
At 25 November 2010				
10 Reconciliation of movement in shareholders' funds			2010	2009
			£	£
At 27 November 2009			4,834,737	4,938,623
Loss for the period			(98,515)	(103,886)
			<u>4,736,222</u>	<u>4,834,737</u>
At 25 November 2010				

11 Contingent liabilities

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 25 November 2010 was £98,654,000.

12 Ultimate parent company and controlling party

The company's ultimate parent undertaking is Alscot Sarl, which is incorporated in Luxembourg. The company's immediate parent undertaking is Bestmexico Limited. 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.