

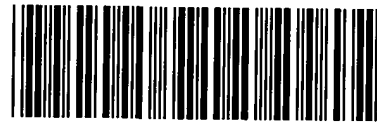
Registered number  
3785379

# NORTON CRATHORNE (NO.2) LIMITED

Report and Accounts

26 November 2015

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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

**Auditor**

BDO LLP  
55 Baker Street,  
London  
W1U 7EU

**Registered office**

The Old Library  
The Drive  
Sevenoaks  
Kent  
TN13 3AB

**Registered number**

3785379

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

**Registered number:** 3785379

### **Directors' Report**

The directors present their report and accounts for the period ended 26 November 2015.

#### **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.

#### **Business review**

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.

The repairs which were taking place in part of the Crathorne hotel, following the fire in 2014, have been completed, and the hotel was fully reopened on 1 October 2015.

#### **Dividends**

No dividends were paid during the period ended 26 November 2015 (2014: £nil).

#### **Directors**

The following persons served as directors during the period:

- <sup>a</sup> K Arkley
- J Hands

#### **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 judgements and accounting 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 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.

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

**Registered number:** 3785379

**Directors' Report**

**Provision of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

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 20 May 2016.

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 Auditor's 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 26 November 2015 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 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**

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2015 and of its profit 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 matters 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 prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

*BDO LLP*

Stuart Collins (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

*24 May 2016*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**NORTON CRATHORNE (NO.2) LIMITED**  
**Profit and Loss Account**  
**for the period from 28 November 2014 to 26 November 2015**

	Notes	2015 £	2014 £
<b>Turnover</b>		3,500	3,500
Administrative expenses		(130,579)	(85,089)
<b>Operating loss</b>	2	<u>(127,079)</u>	<u>(81,589)</u>
Exceptional items:			
profit on the disposal of tangible fixed assets	6	607,218	2,580,967
		<u>480,139</u>	<u>2,499,378</u>
Interest payable and similar charges	4	(21,640)	(20,610)
<b>Profit on ordinary activities before taxation</b>		<u>458,499</u>	<u>2,478,768</u>
Tax on profit on ordinary activities	5	-	-
<b>Profit for the period</b>	10	<u>458,499</u>	<u>2,478,768</u>

**Continuing operations**

All results are derived from continuing operations.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above two periods.

**NORTON CRATHORNE (NO.2) LIMITED**  
**Balance Sheet**  
**as at 26 November 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	6	8,635,821	5,369,008
<b>Current assets</b>			
Debtors	7	379,443	3,157,486
<b>Creditors: amounts falling due within one year</b>	8	(1,642,300)	(1,612,029)
<b>Net current (liabilities)/assets</b>		(1,262,857)	1,545,457
<b>Total assets less current liabilities</b>		7,372,964	6,914,465
<b>Net assets</b>		7,372,964	6,914,465
<b>Capital and reserves</b>			
Called up share capital	9	5,780,002	5,780,002
Profit and loss account	10	1,592,962	1,134,463
<b>Shareholders' funds</b>	11	7,372,964	6,914,465

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 May 2016.



J Hands  
Director



**NORTON CRATHORNE (NO.2) LIMITED**  
**Notes to the Accounts**  
**for the period from 28 November 2014 to 26 November 2015**

**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 as at the period end. 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 rental 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 wholly owned group undertakings.

**NORTON CRATHORNE (NO.2) LIMITED****Notes to the Accounts****for the period from 28 November 2014 to 26 November 2015**

<b>2 Operating loss</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting):		
Depreciation of owned fixed assets	130,136	84,685
Rental income	<u>(3,500)</u>	<u>(3,500)</u>

The auditor's remuneration for the period ended 26 November 2015 has been borne by another group company.

<b>3 Staff costs</b>	<b>2015</b>	<b>2014</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 26 November 2015 nor for the period ended 27 November 2014.

None of the directors received any remuneration for the period (2014: £nil).

<b>4 Interest payable and similar charges</b>	<b>2015</b>	<b>2014</b>
Group interest payable	<u>21,640</u>	<u>20,610</u>

<b>5 Taxation</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Current tax	-	-
Deferred tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>458,499</u>	<u>2,478,768</u>
Standard rate of corporation tax in the UK	20.3%	21.7%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	93,295	537,791
Effects of:		
Expenses not deductible for corporation tax purposes	(97,076)	(541,591)
Transfer pricing adjustments	306,237	326,523
Group relief claimed	<u>(302,456)</u>	<u>(322,723)</u>
Current tax charge for period	<u>-</u>	<u>-</u>

**NORTON CRATHORNE (NO.2) LIMITED**  
**Notes to the Accounts**  
**for the period from 28 November 2014 to 26 November 2015**

**6 Tangible fixed assets**

	Freehold Land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 28 November 2014	5,648,861	922,061	6,570,922
Additions	2,922,442	474,507	3,396,949
At 26 November 2015	<u>8,571,303</u>	<u>1,396,568</u>	<u>9,967,871</u>
<b>Depreciation</b>			
At 28 November 2014	504,153	697,761	1,201,914
Charge for the period	57,796	72,340	130,136
At 26 November 2015	<u>561,949</u>	<u>770,101</u>	<u>1,332,050</u>
<b>Net book value</b>			
At 26 November 2015	<u>8,009,354</u>	<u>626,467</u>	<u>8,635,821</u>
At 27 November 2014	<u>5,144,708</u>	<u>224,300</u>	<u>5,369,008</u>

Included in freehold land and buildings is freehold land of £1,167,451 (2014: £1,167,451) which is not depreciated.

On 1st October 2014, Crathorne Hall Hotel was severely damaged by fire. Operations were resumed using part of the building while full repairs were completed. The hotel reopened all of its services on 1st October 2015. In accordance with Accounting Standards, the difference between the anticipated insurance payments to fund the rebuild and the net book value of the assets destroyed is reported in the profit and loss accounts as a profit on disposal over the two periods.

<b>7 Debtors</b>			<b>2015</b>	<b>2014</b>
			£	£
Other debtors			379,443	3,157,486
<b>8 Creditors: amounts falling due within one year</b>			<b>2015</b>	<b>2014</b>
			£	£
Amounts due to intermediate parent undertaking			464,299	441,811
Amounts due to fellow subsidiary undertaking			1,178,001	1,169,813
Accruals and deferred income			-	405
			<u>1,642,300</u>	<u>1,612,029</u>
<b>9 Share capital</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	Number	Number	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1	5,780,002	5,780,002	<u>5,780,002</u>	<u>5,780,002</u>
<b>10 Profit and loss account</b>			<b>2015</b>	<b>2014</b>
			£	£
Opening profit and loss account			1,134,463	(1,344,305)
Profit for the period			458,499	2,478,768
Closing profit and loss account			<u>1,592,962</u>	<u>1,134,463</u>

**NORTON CRATHORNE (NO.2) LIMITED**  
**Notes to the Accounts**  
**for the period from 28 November 2014 to 26 November 2015**

<b>11 Reconciliation of movement in shareholders' funds</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	6,914,465	4,435,697
Profit for the period	458,499	2,478,768
Closing shareholders' funds	<u>7,372,964</u>	<u>6,914,465</u>

**12 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 26 November 2015 was £80,000,000 (2014: £80,000,000).

**13 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 company's intermediate parent undertaking. 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.