

Registered number
3785379

NORTON CRATHORNE (NO 2) LIMITED

Report and Financial Statements

28 November 2019



NORTON CRATHORNE (NO 2) LIMITED
Company Information

Directors

K Arkley
S Fairs

Secretary

Vistra 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
Report and Financial Statements
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NORTON CRATHORNE (NO 2) LIMITED

Registered number: 3785379

Directors' Report

The directors present their report and financial statement for the 52 week period ended 28 November 2019 (2018: 52 week period).

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 performance of the company has been satisfactory and the financial position is relatively unchanged with the statement of comprehensive income showing principally the depreciation of the company's assets, company secretarial charges incurred in the period and interest payable.

With regards to the operating hotels Crathorne Hall Hotel and Norton House Hotel, their combined turnover has decreased by 8.2% to £7,989k. The combined operating loss of the hotels for the period was £6,063k, including impairment of fixed assets of £4,578k, compared to £781k loss in 2018. EBITDA for the period was negative £457k (2018: positive £6k).

Dividends

No dividends were paid during the current or previous period.

Going concern

The global and UK outbreak of coronavirus subsequent to the year end (and thereby considered a non-adjusting post balance sheet event for accounting purposes), and its impact on the company, has been and continues to be closely reviewed by the board of directors. Further information in this regard is provided in note 1 to these financial statements, including the basis on which the board have concluded that it remains appropriate to adopt the going concern basis of preparation.

Directors

The following persons served as directors during the period:

K Arkley
S Fairs

Directors' responsibilities

The directors are responsible for preparing the report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Ireland". 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

NORTON CRATHORNE (NO 2) LIMITED

Registered number: 3785379

Directors' Report

Directors' Report (continued)

Provision of information to auditor

Each person who was a director at the time when this report was 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 27 November 2020 and signed on its behalf.



K Arkley
Director

NORTON CRATHORNE (NO 2) LIMITED
Independent Auditor's Report
to the members of NORTON CRATHORNE (NO 2) LIMITED

Opinion

We have audited the financial statements of Norton Crathorne (No.2) Ltd (the 'Company') for the period ended 28 November 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 November 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 1 to the financial statements which describes how the ability of the Company to continue as a going concern is affected by the potential impacts of the COVID-19 pandemic. Certain potential scenarios suggest that, based on reasonably expected phased reintroduction of normal operations, the Company will require additional funding which is not guaranteed. These events indicate that a material uncertainty exists that may cast significant doubt over and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NORTON CRATHORNE (NO 2) LIMITED
Independent Auditor's Report
to the members of NORTON CRATHORNE (NO 2) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

NORTON CRATHORNE (NO 2) LIMITED
Independent Auditor's Report
to the members of NORTON CRATHORNE (NO 2) LIMITED

Use of our report

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.

BDO LLP

Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 30 November 2020

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

NORTON CRATHORNE (NO 2) LIMITED
Statement of Comprehensive Income
for the period ended 28 November 2019

	Notes	Period ended 28 November 2019 £	Period ended 29 November 2018 £
Turnover		-	-
Administrative expenses		(120,743)	(158,097)
Operating loss	3	<u>(120,743)</u>	<u>(158,097)</u>
Interest payable	5	(26,320)	(25,068)
Loss on ordinary activities before taxation		<u>(147,063)</u>	<u>(183,165)</u>
Tax on loss on ordinary activities	6	-	-
Loss for the period		<u>(147,063)</u>	<u>(183,165)</u>
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		<u>(147,063)</u>	<u>(183,165)</u>

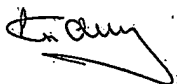
All amounts relate to continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

NORTON CRATHORNE (NO 2) LIMITED**Registered number: 3785379****Statement of Financial Position****as at 28 November 2019**

	Notes	28 November 2019 £	29 November 2018 £
Fixed assets			
Tangible assets	7	8,084,108	8,204,358
Current assets			
Debtors		-	-
Creditors: amounts falling due within one year	8	(1,355,754)	(1,328,941)
Net current liabilities		(1,355,754)	(1,328,941)
Net assets		<u>6,728,354</u>	<u>6,875,417</u>
Capital and reserves			
Called up share capital	9	5,780,002	5,780,002
Profit and loss account	10	948,352	1,095,415
Total equity		<u>6,728,354</u>	<u>6,875,417</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 November 2020



K Arkley
Director

The notes on pages 9 to 15 form part of these financial statements.

NORTON CRATHORNE (NO 2) LIMITED
Statement of Changes in Equity
for the period ended 28 November 2019

	Share capital	Profit and loss account	Total equity
	£	£	£
At 29 November 2018	5,780,002	1,095,415	6,875,417
Loss for the period	-	(147,063)	(147,063)
At 28 November 2019	<u>5,780,002</u>	<u>948,352</u>	<u>6,728,354</u>
 At 30 November 2017	 5,780,002	 1,278,580	 7,058,582
Loss for the period	-	(183,165)	(183,165)
At 29 November 2018	<u>5,780,002</u>	<u>1,095,415</u>	<u>6,875,417</u>

The notes on pages 9 to 15 form part of these financial statements.

NORTON CRATHORNE (NO 2) LIMITED
Notes to the Financial Statements
for the period ended 28 November 2019

1 Accounting policies

General information

Norton Crathorne (No 2) Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

Basis of preparation

The current year financial statements are prepared on a 52 week financial period (2017: 53 week period).

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied consistently throughout the preceding and current periods.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hand Picked Hotels Limited as at 28 November 2019 and these financial statements may be obtained from Companies House.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors report on pages 1 and 2 of these financial statements. The company meets its day-to-day working capital requirements through use of its own cash and facilities, without reliance on its wider group headed by Hand Picked Hotels Limited.

As at 28 November 2019, the Company reported net assets of £6,728k (2018: £6,875k). The Company had no external non-related party borrowings (including overdraft facilities) and this remains the case. In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts for the company extending beyond 12 months from the date of approval of these financial statements. These forecasts have been consolidated with those of the wider Hand Picked Hotels banking group (for which cross guarantees are uniformly in place), headed by Hand Picked Hotels Limited. However, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on these forecasts.

NORTON CRATHORNE (NO 2) LIMITED
Notes to the Financial Statements
for the period ended 28 November 2019

Accounting policies (continued)

In accordance with UK government requirements, all hotels in the group, including that owned by the company closed to public customers on 26 March 2020 and remained closed until 4 July 2020. At the time of signing the financial statements, it is not yet known how long a phased reintroduction of operating activities resulting from social distancing measures will be required. Accordingly, management have modelled various cash flow scenarios based on alternative rates of return to normalised occupancy rates and room rates. At present the board anticipates that changes to social distancing restrictions will enable the company to return to full trading during 2021.

The board acknowledge that 'full trading' may look very different post-Covid-19 than it did pre-Covid-19 and the management team have been planning for this with a restructuring of its operations in response to anticipated market demand, ultimately to profitably deliver enhanced quality of service at lower rates of occupancy.

The directors acknowledge however that the environment is continuously changing and, as such, projecting the rate at which the impacts of COVID-19 will ease, and when and how distancing restrictions will be lifted is challenging. In order to mitigate the associated impacts on revenue during this time, and in order to protect the longer term interests of the Company and its employees, the Company, and group, has taken measures to reduce its cost base.

The company is dependent on the wider group for ongoing financial support and has provided cross-guarantees for the wider group bank facilities. The Company's intermediate parent, Hand Picked Hotels Limited is funded through a combination of external and shareholder funds. As at the year end, the wider banking group had outstanding facilities, subject to bank covenants, of £30m, that matures on 30 November 2020. As at the time of signing these accounts, the Group is in advanced stages of agreeing a 12 month extension to this facility and the term is temporarily extended pending the completion of this agreement. In the meantime, the ultimate shareholders have continued to provide additional funding and continue to consider the short, medium and long-term funding for the group. These matters will be concluded in due course.

In light of the impacts of COVID-19 and the various potential scenarios, along with the expiry of current banking facilities at the end of November 2020, the directors, have identified a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern for the foreseeable future.

Notwithstanding the above uncertainty, having considered current forecasts (including reasonably foreseeable scenarios) and the willingness and ability of the shareholders to continue to provide ongoing support, the board have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer. Deposits which have been received at the balance sheet date for which services have not yet been provided are shown as payments in advance within creditors. All turnover arose within the United Kingdom.

Investment property

Investment property whose fair value can be measured reliably without undue cost and effort shall be measured at fair value at each reporting date with changes in fair value recognised in profit or loss. All other investment property is accounted for as property, plant and equipment using the cost model.

NORTON CRATHORNE (NO 2) LIMITED
Notes to the Financial Statements
for the period ended 28 November 2019

Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

Freehold buildings core	50 years
Freehold buildings surface finishes and services	20 years
Fixtures and fittings	4 to 25 years

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

NORTON CRATHORNE (NO 2) LIMITED
Notes to the Financial Statements
for the period ended 28 November 2019

Accounting policies (continued)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

Operating leases

Rentals received under operating leases are credited to the statement of comprehensive income on a straight line basis over the period of the lease.

Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

NORTON CRATHORNE (NO 2) LIMITED
Notes to the Financial Statements
for the period ended 28 November 2019

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's fixed assets. Factors taken into consideration in reaching such a decision include the most recent third party valuations, the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 7)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3 Operating loss	2019	2018
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	<u>120,250</u>	<u>157,604</u>

The auditor's remuneration for the period ended 28 November 2019 has been borne by another group company.

4 Staff costs

The average number of employees, including the directors, during the period was as follows:

	2019	2018
	Number	Number
Administration	<u>2</u>	<u>2</u>

There were no staff costs for the period ended 28 November 2019 (2018: £nil).

None of the directors received any remuneration for the period (2018: £nil).

5 Interest payable	2019	2018
	£	£
Interest payable	<u>26,320</u>	<u>25,068</u>

NORTON CRATHORNE (NO 2) LIMITED
Notes to the Financial Statements
for the period ended 28 November 2019

6 Taxation	2019	2018
	£	£
Current tax		
UK corporation tax at 19% (2018: 19%)	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-
	2019	2018
	£	£
Reconciliation of tax charge		
Loss on ordinary activities before tax	(147,063)	(183,165)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(27,942)	(34,801)
Effects of:		
Expenses not deductible for tax purposes	22,848	29,945
Transfer pricing adjustments	321,480	321,480
Group relief claimed	(316,386)	(316,623)
Difference in tax rates	-	(1)
Tax charge for the period	-	-

7 Tangible fixed assets	Land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 30 November 2018	8,601,985	1,407,832	10,009,817
Additions	-	-	-
At 28 November 2019	8,601,985	1,407,832	10,009,817
Depreciation			
At 30 November 2018	719,659	1,085,800	1,805,459
Charge for the period	52,588	67,662	120,250
At 28 November 2019	772,247	1,153,462	1,925,709
Net book value			
At 28 November 2019	7,829,738	254,370	8,084,108
At 29 November 2018	7,882,326	322,032	8,204,358

Included in freehold land and buildings is freehold land of £1,167,451 (2018: £1,167,451) which is not depreciated.

NORTON CRATHORNE (NO 2) LIMITED
Notes to the Financial Statements
for the period ended 28 November 2019

8 Creditors: amounts falling due within one year	2019	2018
	£	£
Amounts due to intermediate parent undertaking	564,197	537,384
Amounts due to fellow subsidiary undertaking	791,557	791,557
	<u>1,355,754</u>	<u>1,328,941</u>

9 Share capital	2019	2018	2019	2018
	Number	Number	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	5,780,002	5,780,002	5,780,002	5,780,002

10 Profit and loss account

Profit & loss account

This is cumulative profits or losses, net of dividends paid and other adjustments.

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 28 November 2019 was £30,000,000 (2018: £80,000,000).

12 Ultimate parent company and controlling party

The company's immediate parent 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 ultimate parent company is Julian Holdings Limited, and the ultimate controlling party is Mr G Hands.

Julian Holdings Limited is a company incorporated in Guernsey, whose registered office address is PO Box 286, Floor 2 Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

13 Subsequent events

Subsequent to the year end, and as discussed in note 1 to these financial statements: Basis of preparation – Going concern, the onset of the COVID-19 pandemic has had a profound impact on the company, group and wider UK economy. In accordance with FRS102, this is considered to be a non-adjusting event after the end of the reporting period that is not indicative of conditions that existed at the end of the reporting period.

The board has considered the existence of Covid-19 impacts on assets and liabilities of the business as reported as at the balance sheet date. In general, whilst hotel values may have been impacted by COVID-19, the location of the hotel and the expected return to normal trading in the medium term lead the directors to conclude that the long term viability of the hotel is preserved. However, as at the time of reporting, it has not been practicable to obtain an unqualified valuation of the asset that may have been subject to a material impairment.