

Registered number  
3785379

NORTON CRATHORNE (NO.2) LIMITED

Report and Accounts

25 November 2004



**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  
Farringdon Place  
20 Farringdon Road  
London  
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 2004.

#### **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 25 November 2004.

#### **Directors**

The directors who served during the period under review were:

R.C. Felton

J. Hands

The directors holding office at 25 November 2004 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 27 November 2003 or 25 November 2004, except J Hands, who holds two shares.

#### **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 ensuring that the directors' report and other information included in the financial statements is prepared in accordance with company law in the United Kingdom.

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 PKF as auditors will be put to the forthcoming Annual General Meeting.



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 25 November 2004 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These 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 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements 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 financial statements, 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **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 financial statements. It also includes an assessment of the significant estimates and judgements 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 which 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 of the state of the company's affairs as at 25 November 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**PKF**

PKF  
Registered auditors

London  
27 April 2005

**NORTON CRATHORNE (NO.2) LIMITED****Profit and Loss Account****for the period from 28 November 2003 to 25 November 2004**

		52 weeks ended 25 November 2004 £	52 weeks ended 27 November 2003 £
	Notes		
Turnover		3,500	3,500
Administrative expenses		(83,609)	(72,633)
Operating loss	2	<u>(80,109)</u>	<u>(69,133)</u>
Loss on ordinary activities before taxation		<u>(80,109)</u>	<u>(69,133)</u>
Tax on loss on ordinary activities	4	11,500	12,000
Retained loss for the period	8	<u>(68,609)</u>	<u>(57,133)</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 25 November 2004**

	Notes	25 November 2004 £	27 November 2003 £
<b>Fixed assets</b>			
Tangible assets	5	6,424,622	6,370,325
<b>Creditors: amounts falling due within one year</b>	6	(1,159,999)	(1,025,593)
<b>Net current liabilities</b>		(1,159,999)	(1,025,593)
<b>Total assets less current liabilities</b>		5,264,623	5,344,732
<b>Provisions for liabilities and charges</b>			
Deferred taxation	4	(76,500)	(88,000)
		<u>5,188,123</u>	<u>5,256,732</u>
<b>Capital and reserves</b>			
Called up share capital	7	5,780,002	5,780,002
Profit and loss account	8	(591,879)	(523,270)
<b>Shareholders' funds</b>	9	<u>5,188,123</u>	<u>5,256,732</u>



J Hands  
Director

Approved by the board on ~~20th~~ April 2005

**NORTON CRATHORNE (NO.2) LIMITED**  
**Notes to the Accounts**  
**for the period from 28 November 2003 to 25 November 2004**

**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
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***

Deferred tax is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using the full provision basis set out in Financial Reporting Standard 19.

***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.

<b>2 Operating loss</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting):		
Operating lease income	(3,500)	(3,500)
Depreciation of owned fixed assets	83,309	72,358

The auditors' remuneration for the period ended 25 November 2004 has been borne by another group company.



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

## **Notes to the Accounts**

**for the period from 28 November 2003 to 25 November 2004**

<b>3 Staff costs</b>	<b>2004</b>	<b>2003</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 25 November 2004 nor for the period ended 27 November 2003.

None of the directors received any remuneration for the period (2003: £nil).

<b>4 Taxation</b>	<b>2004</b>	<b>2003</b>
<b>Current year charge</b>	<b>£</b>	<b>£</b>
Corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	(11,500)	(12,000)
Total tax	<u>(11,500)</u>	<u>(12,000)</u>

<b>Factors affecting tax charge for the period</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u>(80,109)</u>	<u>(69,133)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax (30%)	(24,033)	(20,740)
<i>Explained by:</i>		
Expenses not deductible for tax purposes	12,002	-
Capital allowances for period in excess of depreciation	(27,165)	(16,913)
Losses carried forward for future offset	<u>39,196</u>	<u>37,653</u>
<b>Total current tax</b>	<u>-</u>	<u>-</u>

<b>Deferred tax</b>	<b>£</b>
At 28 November 2003	(88,000)
Credited to profit and loss	11,500
At 25 November 2004	<u>(76,500)</u>

Deferred tax is analysed as follows:

Losses	164,000
Accelerated capital allowances	<u>(240,500)</u>
	<u>(76,500)</u>

There are trading losses carried forward of £547,000 (2003 £415,000) available for offset against future trading profits.

**NORTON CRATHORNE (NO.2) LIMITED****Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004****5 Tangible fixed assets**

	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>			
At 28 November 2003	5,737,428	1,082,604	6,820,032
Additions	137,606	-	137,606
At 25 November 2004	<u>5,875,034</u>	<u>1,082,604</u>	<u>6,957,638</u>
<b>Depreciation</b>			
At 28 November 2003	107,045	342,662	449,707
Charge for the period	40,005	43,304	83,309
At 25 November 2004	<u>147,050</u>	<u>385,966</u>	<u>533,016</u>
<b>Net book value</b>			
At 25 November 2004	<u>5,727,984</u>	<u>696,638</u>	<u>6,424,622</u>
At 27 November 2003	<u>5,630,383</u>	<u>739,942</u>	<u>6,370,325</u>

Included in freehold land and buildings is freehold land of £1,167,451 (2003: £1,167,451) which is not depreciated.

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

	<b>2004 £</b>	<b>2003 £</b>
Amounts owed to subsidiary undertakings	837,058	702,952
Amounts owed to related company	<u>322,941</u>	<u>322,641</u>
	<u>1,159,999</u>	<u>1,025,593</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.

**7 Share capital**

	<b>2004 No</b>	<b>2003 No</b>	<b>2004 £</b>	<b>2003 £</b>
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 28 November 2003 to 25 November 2004**

<b>8 Profit and loss account</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
At 28 November 2003	(523,270)	(466,137)
Retained loss	(68,609)	(57,133)
At 25 November 2004	<u>(591,879)</u>	<u>(523,270)</u>

<b>9 Reconciliation of movement in shareholders' funds</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
At 28 November 2003	5,256,732	5,313,865
Loss for the financial period	(68,609)	(57,133)
At 25 November 2004	<u>5,188,123</u>	<u>5,256,732</u>

**10 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 £322,941 (2003: £322,641) 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 £1,030 of company secretarial fees paid by Hand Picked Hotels Limited on behalf of the company.

**11 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 25th November 2004 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.