

Company Registration No. 472556 (England and Wales)

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 28 NOVEMBER 2004



LD2 *L6NPM942* 356
COMPANIES HOUSE 30/09/2005

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

CONTENTS

	Page
Directors' report	1
Auditors' report	2
Abbreviated profit and loss account	3
Abbreviated balance sheet	4
Notes to the abbreviated accounts	5 - 12

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 NOVEMBER 2004

The directors present their report and financial statements for the period ended 28 November 2004.

Principal activities and review of the business

The principal activity of the company is the operation of a country hotel.

Results and dividends

The results for the period are set out on page 3.

Directors

The following directors have held office since 1 December 2003:

H N A Goodman

A E Goodman

(Deceased 19 December 2003)

M A Carminger

J S Sixsmith

L I P Carminger

Directors' interests

Directors' interests in the shares of the parent company, Historic Sussex Hotels Limited, are disclosed in the Report of the Directors of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Nyman Libson Paul be reappointed as auditors of the company will be put to the Annual General Meeting.

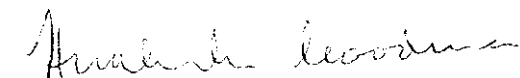
Directors' responsibilities

Company law requires the directors to prepare financial statements 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 of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 financial statements 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.

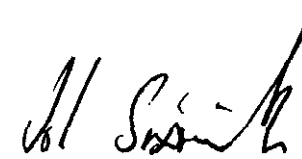
By order of the Board



H N A Goodman
Director

28/09/05

J S Sixsmith
Director


28/09/05

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 12, together with the financial statements of the company for the period ended 28 November 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B 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 are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 12 are properly prepared in accordance with that provision.

Nyman Libson Paul

Nyman Libson Paul

Chartered Accountants
& Registered Auditors

28 September 2005

*Regina House
124 Finchley Road
London NW3 5JS*

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 28 NOVEMBER 2004

	Notes	2004 £	2003 £
Gross profit		1,728,167	1,842,577
Administrative expenses		(1,732,739)	(1,694,062)
Operating (loss)/profit	2	(4,572)	148,515
Profit on sale of property	2	-	96,913
(Loss)/profit on ordinary activities before interest		(4,572)	245,428
Interest payable and similar charges	3	(62,177)	(87,390)
(Loss)/profit on ordinary activities before taxation		(66,749)	158,038
Tax on (loss)/profit on ordinary activities	4	-	2,706
(Loss)/profit on ordinary activities after taxation	12	(66,749)	160,744

The profit and loss account has been prepared on the basis that all operations are continuing operations.

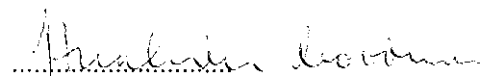
THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

ABBREVIATED BALANCE SHEET AS AT 28 NOVEMBER 2004

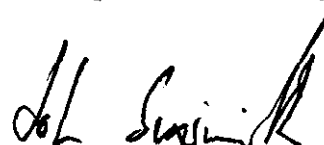
	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	5	3,500,000		2,929,699	
Current assets					
Stocks	6	28,269		31,335	
Debtors	7	102,097		181,390	
Cash at bank and in hand		968,953		803,166	
		<u>1,099,319</u>		<u>1,015,891</u>	
Creditors: amounts falling due within one year	8	<u>(553,055)</u>		<u>(402,262)</u>	
Net current assets		<u>546,264</u>		<u>613,629</u>	
Total assets less current liabilities		<u>4,046,264</u>		<u>3,543,328</u>	
Creditors: amounts falling due after more than one year	9	<u>(1,281,526)</u>		<u>(1,407,104)</u>	
		<u>2,764,738</u>		<u>2,136,224</u>	
Capital and reserves					
Called up share capital	11	100		100	
Revaluation reserve	12	3,004,267		2,309,004	
Profit and loss account	12	<u>(239,629)</u>		<u>(172,880)</u>	
Shareholders' funds - equity interests	13	<u>2,764,738</u>		<u>2,136,224</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 28/09/05 and signed on its behalf by:


H N A Goodman
Director

.....
J S Sixsmith
Director



THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 28 NOVEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the revaluation of leasehold land and buildings.

1.2 Turnover

Turnover represents net invoiced sales of goods and services excluding value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	Not depreciated
Land and buildings Leasehold	period of the lease
Health club and spa development	10% on cost

1.4 Leasing

Assets which are the subject of finance leases or hire purchase contracts are capitalised at a value equal to the original cost. The capital element of future payments is included under "obligations under finance leases and hire purchase contracts" and the interest element is charged to the profit and loss account at a rate which apportions the finance charge on a consistent basis.

The annual rentals on operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company in respect of a defined contribution scheme during the period in accordance with FRS 17.

1.7 Deferred taxation

Deferred tax is provided in full where material in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent it was probable that liabilities would crystallise in the foreseeable future.

1.8 Cash flow statement

As a consolidated cashflow statement is included within the parent company financial statements, the company has taken advantage of the exemption available under Financial Reporting Standard No. 1 not to produce its own cash flow statement.

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 28 NOVEMBER 2004

2	Operating (loss)/profit	2004	2003
		£	£
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	153,221	154,247
	Operating lease rentals	109,865	114,941
	Auditors' remuneration	9,013	7,000
		<u> </u>	<u> </u>
3	Interest payable	2004	2003
		£	£
	On bank loans and overdrafts	297	1,212
	Bank and other borrowings	60,404	86,017
	Lease finance charges	1,476	161
		<u> </u>	<u> </u>
		62,177	87,390
		<u> </u>	<u> </u>
Interest payable includes £60,404 (2003:£86,017) payable on loans from the parent company.			
4	Taxation	2004	2003
		£	£
	Domestic current year tax		
	Adjustment for prior years	-	(2,706)
		<u> </u>	<u> </u>
	Current tax charge	-	(2,706)
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the period		
	(Loss)/profit on ordinary activities before taxation	(66,749)	158,038
		<u> </u>	<u> </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	(12,682)	30,027
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	1,699	1,326
	Depreciation add back	29,112	10,893
	Capital allowances	(15,032)	(14,170)
	Tax losses utilised	-	(64,754)
	Chargeable disposals	-	36,678
	Other tax adjustments - group relief	(3,097)	(2,706)
		<u> </u>	<u> </u>
		12,682	(32,733)
		<u> </u>	<u> </u>
	Current tax charge	-	(2,706)
		<u> </u>	<u> </u>

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 28 NOVEMBER 2004

5 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 December 2003	3,864,511	917,668	4,782,179
Additions	-	28,259	28,259
Revaluation	695,263	-	695,263
	<u> </u>	<u> </u>	<u> </u>
At 28 November 2004	4,559,774	945,927	5,505,701
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 December 2003	1,113,513	738,967	1,852,480
Charge for the period	105,808	47,413	153,221
	<u> </u>	<u> </u>	<u> </u>
At 28 November 2004	1,219,321	786,380	2,005,701
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 28 November 2004	3,340,453	159,547	3,500,000
	<u> </u>	<u> </u>	<u> </u>
At 30 November 2003	2,750,998	178,701	2,929,699
	<u> </u>	<u> </u>	<u> </u>

The leasehold property, inclusive of fixtures and fittings, was revalued by Messrs Knight Frank, Chartered Surveyors, in September 2005 on the basis of open market value for existing use as a fully operational business unit. In the opinion of the directors the value was not significantly different at the financial year end and accordingly the revalued amounts are reflected in the balance sheet.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 December 2003 & at 28 November 2004	1,317,924
	<u> </u>
Depreciation based on cost	
At 1 December 2003	498,617
Charge for the period	31,578
	<u> </u>
At 28 November 2004	530,195
	<u> </u>
Net book value	
At 28 November 2004	787,729
	<u> </u>
At 30 November 2003	819,307
	<u> </u>

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 28 NOVEMBER 2004

5 Tangible fixed assets

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £
Net book values	
At 28 November 2004	14,260
At 30 November 2003	17,825
Depreciation charge for the period	
At 28 November 2004	3,565
At 30 November 2003	4,456

6 Stocks	2004 £	2003 £
Finished goods and goods for resale	28,269	31,335

7 Debtors	2004 £	2003 £
Trade debtors	71,353	65,896
Amounts owed by parent and fellow subsidiary undertakings	-	66,625
Corporation tax	-	3,198
Other debtors	635	635
Prepayments and accrued income	30,109	45,036
	102,097	181,390

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 28 NOVEMBER 2004

8	Creditors: amounts falling due within one year	2004 £	2003 £
	Net obligations under finance lease and hire purchase contracts	6,756	9,058
	Trade creditors	184,604	198,304
	Amounts owed to parent and fellow subsidiary undertakings	106,249	-
	Taxes and social security costs	95,085	27,034
	Other creditors	70,259	64,771
	Accruals and deferred income	90,102	103,095
		<u>553,055</u>	<u>402,262</u>

9	Creditors: amounts falling due after more than one year	2004 £	2003 £
	Loans from parent company	1,274,194	1,395,849
	Net obligations under finance leases and hire purchase agreements	7,332	11,255
		<u>1,281,526</u>	<u>1,407,104</u>

Analysis of loans

Loans from parent company		
not wholly repayable within five years by instalments	(1,298,936)	1,395,849
Wholly repayable within five years	2,573,130	-
	<u>1,274,194</u>	<u>1,395,849</u>

Loan maturity analysis

Between one and two years	74,225	64,623
Between two and five years	222,674	232,641
In five years or more	977,295	1,098,585
	<u></u>	<u></u>

The loan from the parent company is interest bearing and repayable by instalment.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	6,756	6,267
Repayable between one and five years	7,332	14,046
	<u>14,088</u>	<u>20,313</u>
Included in liabilities falling due within one year	(6,756)	(9,058)
	<u>7,332</u>	<u>11,255</u>

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 28 NOVEMBER 2004

10 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2004 £	Not provided 2003 £	2004 £	Provided 2003 £
Surplus on revaluation of land and buildings	<u>777,000</u>	<u>777,000</u>	-	-

11 Share capital

	2004 £	2003 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 December 2003	2,309,004	(172,880)
Retained loss for the period	-	(66,749)
Revaluation during the period	<u>695,263</u>	-
Balance at 28 November 2004	<u>3,004,267</u>	<u>(239,629)</u>

13 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
(Loss)/Profit for the financial period	(66,749)	160,744
Other recognised gains and losses	<u>695,263</u>	-
Net addition to shareholders' funds	628,514	160,744
Opening shareholders' funds	<u>2,136,224</u>	<u>1,975,480</u>
Closing shareholders' funds	<u>2,764,738</u>	<u>2,136,224</u>

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 28 NOVEMBER 2004

14 Financial commitments

At 28 November 2004 the company was committed to making the following payments under non-cancellable operating leases in the period 28 November 2005:

	Land and buildings 2004 £	2003 £
Operating leases which expire: In over five years	110,837	109,865

15 Capital commitments

At 28 November 2004 the company had capital commitments as follows:

	2004 £	2003 £
Contracted for but not provided in the financial statements	22,619	-

16 Directors' emoluments

	2004 £	2003 £
Emoluments for qualifying services	-	28,634
Company pension contributions	150	5,781
	150	34,415

THE SPREAD EAGLE HOTEL (MIDHURST) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 28 NOVEMBER 2004

17 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2004 Number	2003 Number
Management	5	6
Administration	4	5
Production and sales	61	49
	<u>70</u>	<u>60</u>

Employment costs

	£	£
Wages and salaries	658,791	544,637
Social security costs	51,551	42,093
Other pension costs	150	5,781
	<u>710,492</u>	<u>592,511</u>

18 Control

The ultimate parent company is Historic Sussex Hotels Limited which is the parent undertaking for the largest group for which the financial statements are drawn up and of which the company is a member. The financial statements of Historic Sussex Hotels Limited are filed with the Registrar of Companies in England and Wales.

For the whole year and at the balance sheet date the company and the group of which it is a member were under the control of Mr H N A Goodman.

19 Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard No 8: Related Party Disclosures applicable to 90% subsidiary undertakings regarding the disclosure of related party transactions within the same group. Outstanding balances relating to group undertakings are disclosed within the relevant notes.

Group companies have given various guarantees to secure the company's bank borrowings. Additionally the company has entered into unlimited corporate guarantees along with Ockenden Manor Limited and Beckwell Limited in respect of all liabilities incurred between them.