

Registered number: 3673448

HISTORIC SUSSEX HOTELS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 NOVEMBER 2012

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HISTORIC SUSSEX HOTELS LIMITED

COMPANY INFORMATION

Directors	H N A Goodman M A Carminger L I P Carminger J S Sixsmith
Company secretary	J S Sixsmith
Registered number	3673448
Registered office	3 Albourne Court Henfield Road West Sussex BN6 9FF
Independent auditors	Nyman Libson Paul Chartered Accountants & Statutory Auditors Regina House 124 Finchley Road London NW3 5JS

HISTORIC SUSSEX HOTELS LIMITED

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HISTORIC SUSSEX HOTELS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 25 NOVEMBER 2012

The directors present their report and the audited financial statements of the group for the period ended 25 November 2012

Directors

The directors who served during the period were

H N A Goodman
M A Carminger
L I P Carminger
J S Sixsmith

Principal activities

The principal activity of the group continued to be the operation of a number of quality Country House Hotels

Business review

The results for the group show a pre-tax profit of £238,309 (2011 loss of £198,094) for the period and turnover of £8,360,110 (2011 £7,208,912). January 2012 saw the opening of a Luxury Spa and Health Club at one of the group's hotels, this being the final phase of a £7m development programme and this, together with other measures implemented by the Board, has resulted in a substantial improvement to operating profit. This trend is expected to continue.

The management of the business is subject to a number of risks. The key business risks and uncertainties affecting the business are considered to relate to competition from other hotels combined with the current economic climate.

Results

The profit for the period, after taxation, amounted to £238,309 (2011 - loss £198,094).

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations

HISTORIC SUSSEX HOTELS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 25 NOVEMBER 2012

Financial instruments

The group's financial instruments comprise bank balances, bank loans and overdrafts, trade creditors, trade debtors and finance lease arrangements. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group has mitigated its risk to interest rate changes by fixing the cost of its borrowings with short and medium term financial instruments. The group's approach to managing other risks applicable to the financial instruments concerned is shown below -

In respect of bank balances the liquidity risk is managed by maintaining a balance between continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The group makes use of fixed deposit facilities where funds are available.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the audited financial statements of the group in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements of the group for each financial year. Under that law the directors have elected to prepare the audited financial statements of the group 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 audited financial statements of the group unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these audited financial statements of the group, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- prepare the audited financial statements of the group on the going concern basis unless it is inappropriate to presume that the group 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 the group and enable them to ensure that the audited financial statements of the group comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HISTORIC SUSSEX HOTELS LIMITED

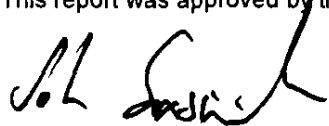
**DIRECTORS' REPORT
FOR THE PERIOD ENDED 25 NOVEMBER 2012**

Provision of information to auditors

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 and the group's auditors are unaware, and
- 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 and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

This report was approved by the board on *15th July 2013* and signed on its behalf



J S Sixsmith
Director



H N A Goodman
Director

HISTORIC SUSSEX HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HISTORIC SUSSEX HOTELS LIMITED

We have audited the group and parent company financial statements of Historic Sussex Hotels Limited for the period ended 25 November 2012, set out on pages 6 to 25. 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 directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company 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 of the group and parent company financial statements

An audit involves obtaining evidence about the amounts and disclosures in the group and parent company financial statements sufficient to give reasonable assurance that the group and parent company 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 group's and the parent 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 group and parent company financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited group and parent company financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on group and parent company financial statements

In our opinion the group and parent company financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 25 November 2012 and of the group's 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's ability to continue as a going concern. At 25 November 2012, the group had net current liabilities of £1,011,730 suggesting the existence of a material uncertainty which may cast doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that may be required if the group were unable to continue as a going concern.

HISTORIC SUSSEX HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HISTORIC SUSSEX HOTELS LIMITED

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 group and parent company financial statements are prepared is consistent with the group and parent company 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company group and parent company 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



Jennifer Pope (senior statutory auditor)

for and on behalf of
Nyman Libson Paul

Chartered Accountants
Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

Date 15 July 2013

HISTORIC SUSSEX HOTELS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 25 NOVEMBER 2012**

	Note	Period ended 25 November 2012 £	As restated period ended 27 November 2011 £
TURNOVER	1,2	8,360,110	7,208,912
Cost of sales		(1,317,175)	(1,255,946)
GROSS PROFIT		7,042,935	5,952,966
Administrative expenses		(6,309,729)	(5,745,128)
OPERATING PROFIT	3	733,206	207,838
Interest receivable and similar income	6	8,788	10,049
Interest payable and similar charges	5	(503,685)	(415,981)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		238,309	(198,094)
Tax on profit/(loss) on ordinary activities		-	-
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	16	238,309	(198,094)

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 10 to 25 form part of these financial statements

HISTORIC SUSSEX HOTELS LIMITED
REGISTERED NUMBER. 3673448

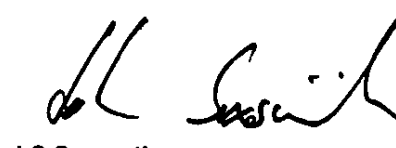
CONSOLIDATED BALANCE SHEET
AS AT 25 NOVEMBER 2012

	Note	25 November 2012 £	27 November 2011 £
FIXED ASSETS			
Tangible assets	8	26,911,894	26,651,499
CURRENT ASSETS			
Stocks	10	148,514	152,485
Debtors	11	358,140	558,777
Cash at bank and in hand		1,239,689	795,711
		<u>1,746,343</u>	<u>1,506,973</u>
CREDITORS: amounts falling due within one year	12	<u>(2,758,073)</u>	<u>(2,222,908)</u>
NET CURRENT LIABILITIES		<u>(1,011,730)</u>	<u>(715,935)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,900,164</u>	<u>25,935,564</u>
CREDITORS. amounts falling due after more than one year	13	<u>(12,931,927)</u>	<u>(13,205,636)</u>
NET ASSETS		<u>12,968,237</u>	<u>12,729,928</u>
CAPITAL AND RESERVES			
Called up share capital	15	200	200
Revaluation reserve	16	13,950,912	13,950,912
Capital redemption reserve	16	4	4
Profit and loss account	16	<u>(982,879)</u>	<u>(1,221,188)</u>
SHAREHOLDERS' FUNDS	17	<u>12,968,237</u>	<u>12,729,928</u>

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

13th July 2013


H N A Goodman
Director


J S Sixsmith
Director

The notes on pages 10 to 25 form part of these financial statements

HISTORIC SUSSEX HOTELS LIMITED
REGISTERED NUMBER 3673448

COMPANY BALANCE SHEET
AS AT 25 NOVEMBER 2012


	Note	25 November 2012 £	27 November 2011 £
FIXED ASSETS			
Tangible assets	8	24,755	37,432
Investments	9	267	267
		<u>25,022</u>	<u>37,699</u>
CURRENT ASSETS			
Debtors	11	13,325,401	13,692,312
Cash at bank and in hand		559,486	177,772
		<u>13,884,887</u>	<u>13,870,084</u>
CREDITORS: amounts falling due within one year	12	<u>(973,249)</u>	<u>(681,417)</u>
NET CURRENT ASSETS		<u>12,911,638</u>	<u>13,188,667</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,936,660</u>	<u>13,226,366</u>
CREDITORS amounts falling due after more than one year	13	<u>(12,931,927)</u>	<u>(13,205,636)</u>
NET ASSETS		<u><u>4,733</u></u>	<u><u>20,730</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	200	200
Profit and loss account	16	4,533	20,530
SHAREHOLDERS' FUNDS	17	<u><u>4,733</u></u>	<u><u>20,730</u></u>

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

15th July 2013



H N A Goodman
Director



J S Sixsmith
Director

The notes on pages 10 to 25 form part of these financial statements

HISTORIC SUSSEX HOTELS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 25 NOVEMBER 2012**

	Note	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Net cash flow from operating activities	25	1,523,161	320,492
Returns on investments and servicing of finance	26	(494,897)	(405,932)
Capital expenditure and financial investment	26	(565,151)	(4,918,748)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		463,113	(5,004,188)
Financing	26	(19,135)	1,213,229
INCREASE/(DECREASE) IN CASH IN THE PERIOD		443,978	(3,790,959)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE PERIOD ENDED 25 NOVEMBER 2012**

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Increase/(Decrease) in cash in the period	443,978	(3,790,959)
Cash outflow from decrease in debt and lease financing	19,135	(1,213,229)
MOVEMENT IN NET DEBT IN THE PERIOD	463,113	(5,004,188)
Net debt at 28 November 2011	(12,819,766)	(7,815,578)
NET DEBT AT 25 NOVEMBER 2012	(12,356,653)	(12,819,766)

The notes on pages 10 to 25 form part of these financial statements

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards

The group's business activities together with the factors likely to affect its future development and position are set out in the Directors' Report

Although the group is showing net liabilities at the balance sheet date of just over £1m, operating profit increased by over £500,000 in the year, resulting in a profit before tax of £238,309 compared to a loss of approximately £200k in the previous year

The group has continued to generate positive cash flows since the year end and the directors have prepared cash flow forecasts for the next twelve months and beyond which indicate that this trend will continue

The group has the full support of its bankers, with long term financial arrangements in place, which it is fully able to service

The directors have no reason, therefore, to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue servicing its banking arrangements

On this basis, therefore, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The financial statements consolidate the accounts of Historic Sussex Hotels Limited and all of its subsidiary undertakings ('subsidiaries')

The group financial statements have been prepared in accordance with the principles of merger accounting applicable to the group reconstruction undertaken in 1998

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of room bookings, restaurant and bar income, income from conferences and functions together with spa membership and sundry income

Spa membership joining fees are recognised in full at the time membership commences. Annual subscriptions are recognised evenly over the membership year

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

1 ACCOUNTING POLICIES (continued)

1.5 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	over the period of the lease
Motor vehicles	-	33% straight line
Fixtures, fittings & equipment	-	10% or 20% reducing balance
Health club and spa equipment	-	10% straight line

Freehold properties are revalued annually. Depreciation is not provided on such properties as it is the group's policy to maintain them in a continual state of sound repair and, accordingly, the directors consider that the lives of these assets are so long and residual values so high that their depreciation would be insignificant.

1.6 Leasing

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Stock

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

1.9 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the period.

1.10 Deferred taxation

Deferred tax reflects the requirements of FRS 19 and 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.

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

1. ACCOUNTING POLICIES (continued)

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.12 Comparatives

A group company has reclassified its expenditure in relation to staff costs. Previously included in cost of sales, these expenses have been reclassified as administrative expenses in order to correspond to that company's management accounts and to be consistent with the rest of the group

	Cost of Sales	Administrative expenses
	£	£
As previously stated	2,416,817	4,584,257
Staff costs reclassified	(1,160,871)	1,160,871
	<u>1,255,946</u>	<u>5,745,128</u>

2. TURNOVER

The whole of the turnover is attributable to its principal activity

All turnover arose within the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Depreciation of tangible fixed assets		
- owned by the group	304,756	254,794
Auditors' remuneration	25,550	26,750
Operating lease rentals		
- plant and machinery	1,537	1,214
- other operating leases	137,847	137,671
Loss on sale of tangible assets	-	1
	<u> </u>	<u> </u>

Auditors fees for the company were £6,000 (2011 - £6,000)

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

4 TAXATION

No provision for corporation tax has been made as the group has estimated tax losses in excess of £1 million (2011 - £1,110,000) available to carry forward against future trading profits

5. INTEREST PAYABLE

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
On bank loans and overdrafts	480,845	411,010
Other interest	22,840	4,971
	<u>503,685</u>	<u>415,981</u>

6 INTEREST RECEIVABLE

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Other interest receivable	<u>8,788</u>	<u>10,049</u>

7. PROFIT FOR THE FINANCIAL PERIOD

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial period is made up as follows

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Holding company's (loss) / profit for the financial period	<u>(15,997)</u>	<u>34,387</u>

HISTORIC SUSSEX HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 NOVEMBER 2012**

8. TANGIBLE FIXED ASSETS

Group	Freehold property £	L/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 28 November 2011	23,026,240	4,559,774	60,924	4,258,956	31,905,894
Additions	339,598	-	-	235,466	575,064
Disposals	-	-	-	(9,913)	(9,913)
At 25 November 2012	23,365,838	4,559,774	60,924	4,484,509	32,471,045
Depreciation					
At 28 November 2011	64,686	1,969,639	28,616	3,191,454	5,254,395
Charge for the period	-	71,949	14,308	218,499	304,756
At 25 November 2012	64,686	2,041,588	42,924	3,409,953	5,559,151
Net book value					
At 25 November 2012	23,301,152	2,518,186	18,000	1,074,556	26,911,894
At 27 November 2011	22,961,554	2,590,135	32,308	1,067,502	26,651,499

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	25 November 2012 £	27 November 2011 £
Motor vehicles	18,000	32,308

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

A full revaluation of the freehold land and buildings and fixtures, fittings and equipment was carried out in June 2010 by Messrs Knight Frank, Chartered Surveyors on the basis of market value at that date. The valuation indicated no material difference to the amount shown in the financial statements. Accordingly, no change to the valuation was made.

A full revaluation of the leasehold properties, inclusive of fixtures and fittings was carried out in June 2010 by Messrs Knight Frank, Chartered Surveyors on the basis of market value at that date. The valuation indicated no material difference to the amount shown in the financial statements. Accordingly, no change to the valuation was made.

No provision has been made for additional United Kingdom taxation which would arise if the freehold properties were disposed of at their revalued amount. The potential taxation liability is disclosed in note 14.

Cost or valuation at 25 November 2012 is as follows

	Land and buildings
Group	
At cost	13,737,117
At valuation.	
Revaluation to open market value as at 25 November 2012	14,188,495
	<u>27,925,612</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	25 November 2012 £	27 November 2011 £
Group		
Cost	13,737,117	13,397,519
Accumulated depreciation	(782,371)	(750,867)
	<u>12,954,746</u>	<u>12,646,652</u>

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

Company	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation			
At 28 November 2011	60,924	19,605	80,529
Additions	-	3,320	3,320
At 25 November 2012	60,924	22,925	83,849
Depreciation			
At 28 November 2011	28,616	14,481	43,097
Charge for the period	14,308	1,689	15,997
At 25 November 2012	42,924	16,170	59,094
Net book value			
At 25 November 2012	18,000	6,755	24,755
At 27 November 2011	32,308	5,124	37,432

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Company	25 November 2012 £	27 November 2011 £
Motor vehicles	18,000	32,308

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

9. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 28 November 2011 and 25 November 2012	267
Net book value	
At 25 November 2012	267
At 27 November 2011	267

Subsidiary undertakings

The following were subsidiary undertakings of the company

Company name	Principal activity	Class of shares	Percentage shareholding
Spread Eagle Hotel (Midhurst) Limited	Operation of a country hotel	Ordinary	100%
Ockenden Manor Limited	Operation of a country hotel	Ordinary	100%
Bailiffscourt Limited	Operation of a country hotel	Ordinary	100%

10 STOCKS

	<u>Group</u>		<u>Company</u>	
	25 November 2012 £	27 November 2011 £	25 November 2012 £	27 November 2011 £
Finished goods and goods for resale	148,514	152,485	-	-

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

11. DEBTORS

	<u>Group</u>		<u>Company</u>	
	25 November 2012	27 November 2011	25 November 2012	27 November 2011
	£	£	£	£
Trade debtors	95,990	110,890	8,238	9,114
Amounts owed by group undertakings	-	-	13,286,107	13,646,487
Other debtors	25,653	253,439	23,254	20,834
Prepayments and accrued income	236,497	194,448	7,802	15,877
	<u>358,140</u>	<u>558,777</u>	<u>13,325,401</u>	<u>13,692,312</u>

Amounts falling due after more than one year and included in debtors above are

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>12,757,007</u>	<u>10,720,586</u>

12. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	25 November 2012	27 November 2011	25 November 2012	27 November 2011
	£	£	£	£
Bank loans and overdrafts (secured)	573,172	397,084	573,172	397,084
Other loans (secured)	67,817	-	67,817	-
Net obligations under finance leases and hire purchase contracts	23,425	12,757	23,425	12,757
Trade creditors	869,947	805,349	121,435	109,855
Social security and other taxes	375,336	263,288	92,812	73,794
Other creditors	40,046	45,663	3,399	3,399
Accruals and deferred income	808,330	698,767	91,189	84,528
	<u>2,758,073</u>	<u>2,222,908</u>	<u>973,249</u>	<u>681,417</u>

The bank loans and overdraft are secured by a fixed charge over the freehold land and buildings, by a debenture over the assets, and by a fixed and floating charge over all the assets of the company and its subsidiaries

During the year the company received a loan of £390,000 from Historic Sussex Hotels Self Administered Pension Scheme, a related party, with an unlimited guarantee in the Scheme's favour. The loan is repayable within five years and bears interest at the rate of 7% per annum.

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

13. CREDITORS.

Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	25 November 2012	27 November 2011	25 November 2012	27 November 2011
	£	£	£	£
Other loans	12,931,927	13,182,211	12,931,927	13,182,211
Net obligations under finance leases and hire purchase contracts	-	23,425	-	23,425
	<u>12,931,927</u>	<u>13,205,636</u>	<u>12,931,927</u>	<u>13,205,636</u>

Included within the above are amounts falling due as follows

	<u>Group</u>		<u>Company</u>	
	25 November 2012	27 November 2011	25 November 2012	27 November 2011
	£	£	£	£
Between one and two years				
Other loans	645,737	526,509	645,737	526,509
Between two and five years				
Other loans	1,969,134	1,719,516	1,969,134	1,719,516
Over five years				
Other loans	10,317,056	10,936,186	10,317,056	10,936,186

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>Company</u>	
	25 November 2012	27 November 2011	25 November 2012	27 November 2011
	£	£	£	£
Repayable by instalments	10,317,056	10,936,186	10,317,056	10,936,186

The loan is secured by a first legal charge over certain freehold and leasehold properties of the group and cross-company guarantees of Bailiffscourt Limited, Ockenden Manor Limited and The Spread Eagle Hotel (Midhurst) Limited. The loan bears interest under an interest rate swap with an effective interest rate of 3.70%.

HISTORIC SUSSEX HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 NOVEMBER 2012**

13. CREDITORS

Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	Group		Company	
	25 November 2012	27 November 2011	25 November 2012	27 November 2011
	£	£	£	£
Between one and five years	-	23,425	-	23,425

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation not provided in the financial statements is as follows

	Period ended 25 November 2012	Period ended 27 November 2011
	£	£
Surplus on revaluation of land and buildings - group	2,677,000	2,867,500

15. SHARE CAPITAL

	25 November 2012	27 November 2011
	£	£
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	200	200

16. RESERVES

	Capital redempt'n reserve	Revaluation reserve	Profit and loss account
	£	£	£
Group			
At 28 November 2011	4	13,950,912	(1,221,188)
Profit for the period			238,309
At 25 November 2012	4	13,950,912	(982,879)

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

16. RESERVES (continued)

	Profit and loss account £
Company	
At 28 November 2011	20,530
Loss for the period	(15,997)
	<u>4,533</u>
At 25 November 2012	<u>4,533</u>

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	25 November 2012 £	27 November 2011 £
Group		
Opening shareholders' funds	12,729,928	12,928,022
Profit/(loss) for the period	238,309	(198,094)
	<u>12,968,237</u>	<u>12,729,928</u>
Closing shareholders' funds	<u>12,968,237</u>	<u>12,729,928</u>
	25 November 2012 £	27 November 2011 £
Company		
Opening shareholders' funds/(deficit)	20,730	(13,657)
(Loss)/profit for the period	(15,997)	34,387
	<u>4,733</u>	<u>20,730</u>
Closing shareholders' funds	<u>4,733</u>	<u>20,730</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The loss for the period dealt with in the accounts of the company was £15,997 (2011- profit £34,387)

18. PENSION COMMITMENTS

The company operates certain defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £74,723 (2011 - £65,054). As at 25 November 2012, £2,229 (2011 - £2,008) was outstanding in respect of this contribution and is included within accruals.

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

19. FINANCIAL COMMITMENTS

At 25 November 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	25 November 2012	27 November 2011	25 November 2012	27 November 2011
	£	£	£	£
Group				
Expiry date				
Between 2 and 5 years	28,780	28,780	-	-
After more than 5 years	110,000	110,000	-	-

At 25 November 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	25 November 2012	27 November 2011	25 November 2012	27 November 2011
	£	£	£	£
Company				
Expiry date:				
Between 2 and 5 years	28,000	28,000	-	-

20. DIRECTORS' REMUNERATION

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Emoluments	246,762	429,851
Company pension contributions to defined contribution pension schemes	36,620	36,547

During the period retirement benefits were accruing to 4 directors (2011 - 4) in respect of defined contribution pension schemes

The highest paid director received remuneration of £102,297 (2011 - £140,853)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £36,620 (2011 - £947)

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

21. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Wages and salaries	3,145,760	2,949,871
Social security costs	232,373	238,980
Other pension costs	74,723	65,054
	<u>3,452,856</u>	<u>3,253,905</u>

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

	Period ended 25 November 2012 No	Period ended 27 November 2011 No
Management	9	10
Administration	9	10
Household and garden	199	177
	<u>217</u>	<u>197</u>

22. CONTROLLING PARTY

The ultimate controlling party of the company during the period was Mr H N A Goodman

23. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption available under Financial Reporting Standard No 8 Related Party Disclosures not to disclose transactions within the group that are eliminated on consolidation

At the balance sheet date, creditors include £28,800 (2011 £27,787) due to Taylors Technical Services Limited, a company under common control

During the period rent of £27,847 (2011 £27,923) and pension contributions of £36,620 (2011 £36,547) were paid by the company to the Historic Sussex Hotels Self Administered Pension Scheme Included within prepayments is £2,754 (2011 £2,622) due from, and included in trade creditors is £3,066 (2011 £3,837) due to the Historic Sussex Hotels Self Administered Pension Scheme Mr H N A Goodman, Mr L I P Carminger, Mrs M A Carminger, and Mr J Sixsmith are the trustees of the Historic Sussex Self Administered Pension Scheme

During the period, the company obtained a loan from the Historic Sussex Self Administered Pension Scheme At the balance sheet date, the company owed £390,000 to the Scheme, details of which are provided in note 12

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2012

24. FINANCIAL INSTRUMENTS

During the period, the company entered into a further interest rate swap leaving four outstanding swaps at the balance sheet date

The terms of these swaps are such that the company pays a fixed rate and receives a floating rate of interest based on 3 months' LIBOR, the instruments expiring at various dates between September 2013 and September 2017

The total loan outstanding under these instruments is £13,182,196 which has been disclosed in Note 13

25. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Operating profit	733,206	207,838
Depreciation of tangible fixed assets	304,756	254,794
Loss on disposal of tangible fixed assets	-	1
Decrease/(increase) in stocks	3,971	(15,868)
Decrease/(increase) in debtors	200,636	(265,599)
Increase in creditors	280,592	139,326
Net cash inflow from operating activities	1,523,161	320,492

26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Returns on investments and servicing of finance		
Interest received	8,788	10,049
Interest paid	(503,685)	(415,981)
Net cash outflow from returns on investments and servicing of finance	(494,897)	(405,932)

HISTORIC SUSSEX HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 NOVEMBER 2012**

26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(575,064)	(4,973,748)
Sale of tangible fixed assets	9,913	55,000
Net cash outflow from capital expenditure	<u>(565,151)</u>	<u>(4,918,748)</u>
	Period ended 25 November 2012 £	Period ended 27 November 2011 £
Financing		
Repayment of loans	(396,378)	-
Other new loans	390,000	1,299,295
Repayment of hire purchase	(12,757)	(86,066)
Net cash (outflow)/inflow from financing	<u>(19,135)</u>	<u>1,213,229</u>

27. ANALYSIS OF CHANGES IN NET DEBT

	28 November 2011 £	Cash flow £	Other non-cash changes £	25 November 2012 £
Cash at bank and in hand	795,711	443,978	-	1,239,689
Debt.				
Debts due within one year	(409,841)	19,135	(273,709)	(664,415)
Debts falling due after more than one year	(13,205,636)	-	273,709	(12,931,927)
Net debt	<u>(12,819,766)</u>	<u>463,113</u>	<u>-</u>	<u>(12,356,653)</u>