

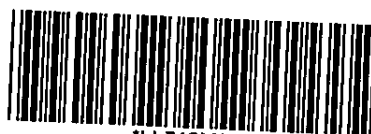
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**HISTORIC SUSSEX HOTELS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 29 NOVEMBER 2009**

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## **HISTORIC SUSSEX HOTELS LIMITED**

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### **COMPANY INFORMATION**

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

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## **HISTORIC SUSSEX HOTELS LIMITED**

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## **HISTORIC SUSSEX HOTELS LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 29 NOVEMBER 2009**

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The directors present their report and the audited financial statements of the group for the period ended 29 November 2009

#### **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 is the operation of a number of quality country hotels

#### **Business review**

The results for the group show a pre-tax profit of £18,172 (2008 pre-tax loss of £343,628) for the period and sales of £7,360,882 (2008 £8,054,300)

The management of the group 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 downturn in the economy

#### **Results**

The profit for the period, after taxation, amounted to £18,172 (2008 - loss £343,628)

#### **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

#### **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'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

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## HISTORIC SUSSEX HOTELS LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 29 NOVEMBER 2009

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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

#### Statement of directors' responsibilities

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 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

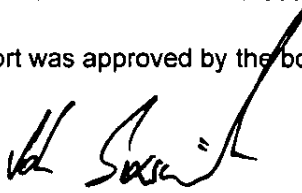
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the audited financial statements 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.

#### 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 7 July 2010 and signed on its behalf



**J S Sixsmith**  
Director



**H N A Goodman**  
Director

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## **HISTORIC SUSSEX HOTELS LIMITED**

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

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We have audited the group and parent company financial statements (the "financial statements") of Historic Sussex Hotels Limited for the period ended 29 November 2009, set out on pages 5 to 24. 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 statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the 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 financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the 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 financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 29 November 2009 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.

#### **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 financial statements are prepared is consistent with the financial statements.

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**HISTORIC SUSSEX HOTELS LIMITED**

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

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**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 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

7 July 2010



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**HISTORIC SUSSEX HOTELS LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 29 NOVEMBER 2009**

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	Note	period 29 November 2009 £	period 30 November 2008 £
<b>TURNOVER</b>	1,2	7,360,882	8,054,300
Cost of sales		(2,367,469)	(2,510,552)
<b>GROSS PROFIT</b>	4	4,993,413	5,543,748
Administrative expenses		(4,702,657)	(5,413,632)
Other operating income	3	20,000	20,000
<b>OPERATING PROFIT</b>	4	310,756	150,116
<b>EXCEPTIONAL ITEMS</b>			
Ascertained damages	9	-	(65,703)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		310,756	84,413
Interest receivable	7	21,462	44,423
Interest payable	5	(314,046)	(472,464)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		18,172	(343,628)
Tax on profit/(loss) on ordinary activities	6	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>		18,172	(343,628)

All amounts relate to continuing operations

The notes on pages 10 to 24 form part of these financial statements



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**HISTORIC SUSSEX HOTELS LIMITED**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 29 NOVEMBER 2009**

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	Note	period 29 November 2009 £	period 30 November 2008 £
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>		18,172	(343,628)
Revaluation of freehold land and buildings		3,763	45,523
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD</b>		<u>21,935</u>	<u>(298,105)</u>


The notes on pages 10 to 24 form part of these financial statements

**HISTORIC SUSSEX HOTELS LIMITED**  
**REGISTERED NUMBER: 3673448**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 29 NOVEMBER 2009**

	Note	29 November 2009 £	30 November 2008 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	20,547,871	20,719,238
<b>CURRENT ASSETS</b>			
Stocks	12	133,785	144,920
Debtors	13	235,861	303,557
Cash at bank and in hand		4,515,236	1,978,919
		<u>4,884,882</u>	<u>2,427,396</u>
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(2,476,807)</u>	<u>(2,121,805)</u>
<b>NET CURRENT ASSETS</b>		2,408,075	305,591
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>22,955,946</u>	<u>21,024,829</u>
<b>CREDITORS:</b> amounts falling due after more than one year	15	<u>(9,600,536)</u>	<u>(7,691,354)</u>
<b>NET ASSETS</b>		<u>13,355,410</u>	<u>13,333,475</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	167	167
Revaluation reserve	18	13,950,912	13,947,149
Capital redemption reserve	18	4	4
Profit and loss account	18	<u>(595,673)</u>	<u>(613,845)</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u>13,355,410</u>	<u>13,333,475</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 July 2010

  
**H N A Goodman**  
Director

  
**J S Sixsmith**  
Director

The notes on pages 10 to 24 form part of these financial statements

**HISTORIC SUSSEX HOTELS LIMITED**  
**REGISTERED NUMBER: 3673448**

**COMPANY BALANCE SHEET**  
**AS AT 29 NOVEMBER 2009**

	Note	29 November 2009 £	30 November 2008 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	148,459	196,372
Fixed asset investments	11	267	267
		<u>148,726</u>	<u>196,639</u>
<b>CURRENT ASSETS</b>			
Debtors	13	7,398,239	7,282,613
Cash at bank and in hand		2,326,455	332,912
		<u>9,724,694</u>	<u>7,615,525</u>
<b>CREDITORS</b> , amounts falling due within one year	14	(292,050)	(136,093)
<b>NET CURRENT ASSETS</b>		<u>9,432,644</u>	<u>7,479,432</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,581,370</u>	<u>7,676,071</u>
<b>CREDITORS</b> : amounts falling due after more than one year	15	(9,600,536)	(7,691,354)
<b>NET LIABILITIES</b>		<u>(19,166)</u>	<u>(15,283)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	167	167
Profit and loss account	18	(19,333)	(15,450)
<b>SHAREHOLDERS' DEFICIT</b>	19	<u>(19,166)</u>	<u>(15,283)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 July 2010

  
**H N A Goodman**  
Director

  
**J S Sixsmith**  
Director

The notes on pages 10 to 24 form part of these financial statements

# HISTORIC SUSSEX HOTELS LIMITED

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 29 NOVEMBER 2009

	Note	period 29 November 2009 £	period 30 November 2008 £
Net cash flow from operating activities	28	986,431	211,211
Returns on investments and servicing of finance	29	(292,584)	(428,041)
Capital expenditure and financial investment	29	(90,698)	(266,565)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>603,149</b>	<b>(483,395)</b>
Financing	29	1,956,676	(30,904)
<b>INCREASE/(DECREASE) IN CASH IN THE PERIOD</b>		<b>2,559,825</b>	<b>(514,299)</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE PERIOD ENDED 29 NOVEMBER 2009

	period 29 November 2009 £	period 30 November 2008 £
Increase/(Decrease) in cash in the period	2,559,825	(514,299)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(1,956,676)	30,904
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<b>603,149</b>	<b>(483,395)</b>
Net debt at 1 December 2008	(6,489,447)	(6,006,052)
<b>NET DEBT AT 29 NOVEMBER 2009</b>	<b>(5,886,298)</b>	<b>(6,489,447)</b>

The notes on pages 10 to 24 form part of these financial statements

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## HISTORIC SUSSEX HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

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#### 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

##### 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') for the period ended 29 November 2009

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 goods and services supplied, exclusive of Value Added Tax

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

##### 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

Land & Buildings - leasehold	-	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

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## **HISTORIC SUSSEX HOTELS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.6 Leasing**

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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **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 company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company 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.

##### **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.

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## HISTORIC SUSSEX HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

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#### 2. TURNOVER

The whole of the turnover is attributable to its principal activity

All turnover arose within the United Kingdom

#### 3. OTHER OPERATING INCOME

	period 29 November 2009 £	period 30 November 2008 £
Net rents receivable	20,000	20,000

#### 4. OPERATING PROFIT

The operating profit is stated after charging

	period 29 November 2009 £	period 30 November 2008 £
Depreciation of tangible fixed assets		
- owned by the group	265,828	353,698
Auditors' remuneration	30,180	26,880
Operating lease rentals		
- plant and machinery	11,756	11,195
- other operating leases	108,199	121,103
Loss on sale of tangible assets	-	27,109

Auditors fees for the company were £5,300 (2008 - £5,200)

#### 5. INTEREST PAYABLE

	period 29 November 2009 £	period 30 November 2008 £
On bank loans and overdrafts	310,868	447,968
Other interest	3,177	24,074
On finance leases and hire purchase contracts	1	422
	314,046	472,464

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## HISTORIC SUSSEX HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

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#### 6. TAXATION

No provision for corporation tax has been made as the group has estimated tax losses of approximately £1,000,000 (2008 - £1,000,000) available to carry forward against future trading profits

#### 7 INTEREST RECEIVABLE

	period 29 November 2009 £	period 30 November 2008 £
Other interest receivable	21,462	44,423

#### 8. 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 29 November 2009 £	period 30 November 2008 £
Holding company's (loss) / profit for the financial period	(3,883)	7,323

#### 9. EXCEPTIONAL ITEMS

	period 29 November 2009 £	period 30 November 2008 £
Ascertained damages	-	65,703



# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

### 10. TANGIBLE FIXED ASSETS

Group	Land and buildings - Freehold £	Land and buildings - Leasehold £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>					
At 1 December 2008	16,788,816	4,559,774	261,957	3,709,810	25,320,357
Additions	83,310	-	-	11,151	94,461
At 29 November 2009	16,872,126	4,559,774	261,957	3,720,961	25,414,818
<b>Depreciation</b>					
At 1 December 2008	64,686	1,753,793	73,602	2,709,038	4,601,119
Charge for the period	-	71,948	47,068	146,812	265,828
At 29 November 2009	64,686	1,825,741	120,670	2,855,850	4,866,947
<b>Net book value</b>					
At 29 November 2009	16,807,440	2,734,033	141,287	865,111	20,547,871
At 30 November 2008	16,724,130	2,805,981	188,355	1,000,772	20,719,238

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

Group	29 November 2009 £	30 November 2008 £
Motor vehicles	141,287	188,355

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 as at 29 November 2009.

A full revaluation of the leasehold property, 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 as at 29 November 2009.

No provision has been made for additional United Kingdom taxation which would arise if the freehold land and buildings were disposed of at their revalued amount. The potential taxation liability is disclosed in note 16.

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**HISTORIC SUSSEX HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 NOVEMBER 2009**

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Cost or valuation at 29 November 2009 is as follows

	Land and buildings - Freehold	Land and buildings - Leasehold
<b>Group</b>		
<b>At cost</b>	5,925,481	1,317,924
<b>At valuation:</b>		
Revaluation to open market value as at 29 November 2009	10,946,645	3,241,850
	<u>16,872,126</u>	<u>4,559,774</u>

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

	29 November 2009 £	30 November 2008 £
<b>Group</b>		
Cost	5,925,481	5,845,934
Accumulated depreciation	-	-
<b>Net book value</b>	<u>5,925,481</u>	<u>5,845,934</u>

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

	29 November 2009 £	30 November 2008 £
<b>Group</b>		
Cost	1,317,924	1,317,924
Accumulated depreciation	(687,860)	(656,357)
<b>Net book value</b>	<u>630,064</u>	<u>661,567</u>

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

Company	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 December 2008	261,957	17,822	279,779
Additions	-	948	948
At 29 November 2009	261,957	18,770	280,727
<b>Depreciation</b>			
At 1 December 2008	73,602	9,805	83,407
Charge for the period	47,068	1,793	48,861
At 29 November 2009	120,670	11,598	132,268
<b>Net book value</b>			
At 29 November 2009	141,287	7,172	148,459
At 30 November 2008	188,355	8,017	196,372

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

Company	29 November 2009 £	30 November 2008 £
Motor vehicles	141,287	188,355

### 11. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 December 2008 and 29 November 2009	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%
Beckwell Limited	Operation of a country hotel	Ordinary	100%

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**HISTORIC SUSSEX HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 NOVEMBER 2009**

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**12. STOCKS**

	<b>Group</b>		<b>Company</b>	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
Finished goods and goods for resale	133,785	144,920	-	-

**13. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
Trade debtors	40,910	94,879	-	-
Amounts owed by group undertakings	-	-	7,365,802	7,215,294
Other debtors	20,226	60,199	18,578	57,304
Prepayments and accrued income	174,725	148,479	13,859	10,015
	235,861	303,557	7,398,239	7,282,613

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

	<b>Group</b>		<b>Company</b>	
	2009	2008	2009	2008
	£	£	£	£
Amounts owed by group undertakings	-	-	7,215,802	7,215,294

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

### 14. CREDITORS: Amounts falling due within one year

	Group		Company	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
Bank loans and overdrafts (secured)	720,685	738,743	5,450	-
Net obligations under finance leases and hire purchase contracts	80,313	38,269	80,313	38,269
Trade creditors	755,672	465,566	82,933	3,877
Social security and other taxes	280,001	276,121	72,060	52,147
Other creditors	65,132	41,461	3,399	-
Accruals and deferred income	575,004	561,645	47,895	41,800
	<u>2,476,807</u>	<u>2,121,805</u>	<u>292,050</u>	<u>136,093</u>

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

### 15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
Other loans	9,526,202	7,542,161	9,526,202	7,542,161
Net obligations under finance leases and hire purchase contracts	74,334	149,193	74,334	149,193
	<u>9,600,536</u>	<u>7,691,354</u>	<u>9,600,536</u>	<u>7,691,354</u>

Included within the above are amounts falling due as follows

	Group		Company	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
<b>Between one and two years</b>				
Other loans	-	348,100	-	348,100
<b>Between two and five years</b>				
Other loans	21,800	1,044,299	21,800	1,044,299
<b>Over five years</b>				
Other loans	9,504,402	6,149,762	9,504,402	6,149,762

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

### 15. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	<b>Group</b>		<b>Company</b>	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
Repayable by instalments	9,504,402	6,149,762	9,504,402	6,149,762

The loan is secured by a first legal charge over certain freehold and leasehold properties of the group and cross-company guarantees of Beckwell Limited, Ockenden Manor Limited and The Spread Eagle Hotel (Midhurst) Limited. The loan bears interest that fluctuates in line with the bank base rate. At the period end the rate was 4%.

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

	<b>Group</b>		<b>Company</b>	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
Between one and five years	74,334	149,193	74,334	149,193

### 16. PROVISIONS FOR LIABILITY AND CHARGES

Deferred taxation not provided in the financial statements are as follows

	period 29 November 2009	period 30 November 2008
	£	£
Surplus on revaluation of land and buildings - group	3,545,000	3,461,300

### 17. SHARE CAPITAL

	29 November 2009	30 November 2008
	£	£
<b>Allotted, called up and fully paid</b>		
167 Ordinary shares shares of £1 each	167	167

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

### 18. RESERVES

	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
<b>Group</b>			
At 1 December 2008	4	13,947,149	(613,845)
Profit for the period			18,172
Surplus on revaluation of freehold property		3,763	
At 29 November 2009	4	13,950,912	(595,673)
<b>Company</b>			Profit and loss account £
At 1 December 2008			(15,450)
Loss for the period			(3,883)
At 29 November 2009			(19,333)

### 19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	29 November 2009 £	30 November 2008 £
<b>Group</b>		
Opening shareholders' funds	13,333,475	13,631,580
Profit/(loss) for the period/year	18,172	(343,628)
Other recognised gains and losses during the period/year	3,763	45,523
Closing shareholders' funds	13,355,410	13,333,475
<b>Company</b>		
Opening shareholders' deficit	(15,283)	(22,606)
Profit/(loss) for the period/year	(3,883)	7,323
Closing shareholders' deficit	(19,166)	(15,283)

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 £3,883 (2008 - profit £7,323)

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

### 20. CAPITAL COMMITMENTS

At 29 November 2009 the group and company had capital commitments as follows

	<b>Group</b>		<b>Company</b>	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
Contracted for but not provided in these financial statements	1,100,000	-	-	-

### 21. PENSION COMMITMENTS

The company operates certain defined contributions 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 £76,105 (2008 - £76,500).

### 22. FINANCIAL COMMITMENTS

At 29 November 2009 the Group had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>		<b>Other</b>	
	29 November 2009	30 November 2008	29 November 2009	30 November 2008
	£	£	£	£
<b>Group</b>				
<b>Expiry date:</b>				
Between 2 and 5 years	-	-	2,597	2,597
After more than 5 years	110,000	116,894	-	-

### 23. DIRECTORS' REMUNERATION

	period 29 November 2009	period 30 November 2008
	£	£
Emoluments	494,950	638,419
Company pension contributions to money purchase pension schemes	54,987	57,113

During the period retirement benefits were accruing to 4 directors (2008 - 4) in respect of money purchase pension schemes.



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## HISTORIC SUSSEX HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

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The highest paid director received remuneration of £264,446 (2008 - £252,250)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £20,000 (2008 - £20,000)

#### 24. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	period 29 November 2009 £	period 30 November 2008 £
Wages and salaries	2,933,011	2,949,767
Social security costs	256,209	197,686
Other pension costs	76,105	69,680
	<u>3,265,325</u>	<u>3,217,133</u>

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

	period 29 November 2009 No	period 30 November 2008 No
Management	15	15
Administration	8	8
Household and garden	161	177
	<u>184</u>	<u>200</u>

#### 25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

#### 26. 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

During the period consultancy fees of £286,000 (2008 £291,500) were paid by the group to Taylors Technical Services Limited, a company under common control. At the balance sheet date, debtors include £nil (2008 £3,123) due from Taylors Technical Services Limited and creditors include £50,600 (2008 £38,725) due to Taylors Technical Services Limited

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**HISTORIC SUSSEX HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 NOVEMBER 2009**

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**27. POST BALANCE SHEET EVENTS**

On 16 December 2009 the company issued 33 'C' ordinary shares of £1 each for cash at par

**28. NET CASH FLOW FROM OPERATING ACTIVITIES**

	period 29 November 2009 £	period 30 November 2008 £
Operating profit	310,756	150,116
Depreciation of tangible fixed assets	265,828	353,698
Loss on disposal of tangible fixed assets	-	27,109
Decrease/(increase) in stocks	11,135	(9,092)
Decrease in debtors	67,696	54,325
Increase/(decrease) in creditors	331,016	(364,945)
<b>Net cash inflow from operating activities</b>	<u>986,431</u>	<u>211,211</u>

**29. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	period 29 November 2009 £	period 30 November 2008 £
<b>Returns on investments and servicing of finance</b>		
Interest received	21,462	44,423
Interest paid	(314,045)	(472,042)
Hire purchase interest	(1)	(422)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(292,584)</u>	<u>(428,041)</u>
	period 29 November 2009 £	period 30 November 2008 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(94,461)	(335,035)
Sale of tangible fixed assets	-	68,470
Other movements	3,763	-
<b>Net cash outflow from capital expenditure</b>	<u>(90,698)</u>	<u>(266,565)</u>

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 NOVEMBER 2009

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

	period 29 November 2009 £	period 30 November 2008 £
<b>Financing</b>		
Other new loans	1,989,491	-
Repayment of other loans	-	(5,339)
Repayment of finance leases	(32,815)	(25,565)
<b>Net cash inflow/(outflow) from financing</b>	<b>1,956,676</b>	<b>(30,904)</b>

### 30. ANALYSIS OF CHANGES IN NET DEBT

	1 December 2008 £	Cash flow £	Other non-cash changes £	29 November 2009 £
Cash at bank and in hand	1,978,919	2,536,317	-	4,515,236
Bank overdraft	(738,743)	23,508	-	(715,235)
	<u>1,240,176</u>	<u>2,559,825</u>	<u>-</u>	<u>3,800,001</u>
<b>Debt:</b>				
Debts due within one year	(38,269)	(1,956,676)	1,909,182	(85,763)
Debts falling due after more than one year	(7,691,354)	-	(1,909,182)	(9,600,536)
<b>Net debt</b>	<b>(6,489,447)</b>	<b>603,149</b>	<b>-</b>	<b>(5,886,298)</b>