

Company Registration No. 3673448 (England and Wales)

**HISTORIC SUSSEX HOTELS LIMITED**  
**ANNUAL REPORT**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2003**



NCP

# **HISTORIC SUSSEX HOTELS LIMITED**

## **DIRECTORS AND ADVISERS**

---

**Directors**

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

**Secretary**

J S Sixsmith

**Company number**

3673448

**Registered office**

Regina House  
124 Finchley Road  
London  
NW3 5JS

**Registered auditors**

Nyman Libson Paul  
Chartered Accountants  
Regina House  
124 Finchley Road  
London  
NW3 5JS

---

# HISTORIC SUSSEX HOTELS LIMITED

## CONTENTS

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Statement of recognised gains and losses	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 23

---

# HISTORIC SUSSEX HOTELS LIMITED

## DIRECTORS' REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2003

The directors present their report and the audited financial statements of the group for the period ended 30 November 2003.

### Directors

The following directors have held office since 25 November 2002:

H N A Goodman

A E Goodman

(Deceased 19 December 2003)

M A Carminger

L I P Carminger

J S Sixsmith

### Principal activities and review of the business

The principal activity of the group is the operation of a number of quality country hotels.

### Results and dividends

The consolidated profit and loss account for the period is set out on page 5.

It is proposed that the retained loss of £26,303 is transferred to the group's reserves.

### Fixed assets

The significant changes in fixed assets during the period are explained in notes 10 and 11 to the financial statements.

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 November 2003	25 November 2002
H N A Goodman	40	40
A E Goodman	40	40
H N A Goodman and A E Goodman (Jointly)	37	37
M A Carminger	25	25
L I P Carminger	25	25
J S Sixsmith	-	-

The directors have no interests in the shares of the other group companies.

### Auditors

Nyman Libson Paul were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# HISTORIC SUSSEX HOTELS LIMITED

## DIRECTORS' REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2003

---

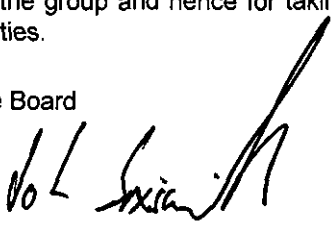
### Directors' responsibilities

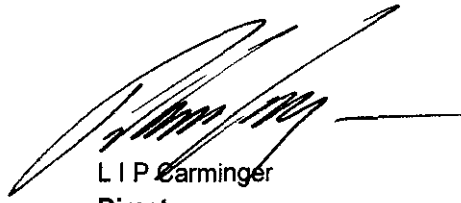
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

  
J S Sixsmith  
Director  
20 August 2004

  
L I P Earminger  
Director  
20 August 2004



**Nyman Libson Paul**  
CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

## **HISTORIC SUSSEX HOTELS LIMITED**

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

---

We have audited the financial statements of Historic Sussex Hotels Limited on pages 5 to 23 for the period ended 30 November 2003. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

*We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.*

*We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.*

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



**Nyman Libson Paul**  
CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

**HISTORIC SUSSEX HOTELS LIMITED**

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

---

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 30 November 2003 and of the group's loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Nyman Libson Paul*

**Nyman Libson Paul**

20 August 2004

Chartered Accountants  
& Registered Auditors

# HISTORIC SUSSEX HOTELS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 NOVEMBER 2003

	Notes	2003 £	2002 £
<b>Turnover</b>	<b>2</b>		
Continuing operations		5,808,933	5,434,250
Discontinued activities		-	602,693
		<u>5,808,933</u>	<u>6,036,943</u>
Cost of sales		(1,058,406)	(1,091,237)
<b>Gross profit</b>		<u>4,750,527</u>	<u>4,945,706</u>
Administrative expenses		(4,349,370)	(4,362,059)
<b>Operating profit</b>	<b>3</b>		
Continuing operations		401,157	425,640
Discontinued activities		-	158,007
		<u>401,157</u>	<u>583,647</u>
Exceptional items	<b>4</b>	211,216	-
<b>Profit on ordinary activities before interest</b>		<u>612,373</u>	<u>583,647</u>
Profit on disposal of an operation	<b>5</b>	-	140,564
Other interest receivable and similar income		4,147	4,139
Interest payable and similar charges	<b>6</b>	(555,029)	(493,456)
<b>Profit on ordinary activities before taxation</b>		<u>61,491</u>	<u>234,894</u>
Tax on profit on ordinary activities	<b>7</b>	12,406	(19,500)
<b>Profit on ordinary activities after taxation</b>		<u>73,897</u>	<u>215,394</u>
Dividends	<b>9</b>	(100,200)	-
<b>Retained (loss)/profit for the period</b>	<b>19</b>	<u>(26,303)</u>	<u>215,394</u>



## **HISTORIC SUSSEX HOTELS LIMITED**

### **STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 30 NOVEMBER 2003**

---

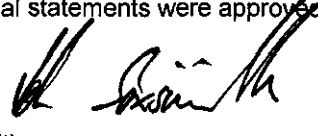
	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial period</b>	73,897	215,394
<b>Unrealised surplus on revaluation of properties</b>	2,163,667	698,215
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the period</b>	<b>2,237,564</b>	<b>913,609</b>
	<hr/> <hr/>	<hr/> <hr/>

# HISTORIC SUSSEX HOTELS LIMITED

## BALANCE SHEETS AS AT 30 NOVEMBER 2003

	Notes	Group 2003 £	2002 £	Company 2003 £	2002 £
<b>Fixed assets</b>					
Tangible assets	10	16,836,980	12,295,581	16,508	56,886
Investments	11	-	-	267	267
		<u>16,836,980</u>	<u>12,295,581</u>	<u>16,775</u>	<u>57,153</u>
<b>Current assets</b>					
Stocks	12	98,892	96,985	-	-
Debtors	13	387,059	252,311	6,526,951	3,865,182
Cash at bank and in hand		1,051,132	669,539	152,149	300
		<u>1,537,083</u>	<u>1,018,835</u>	<u>6,679,100</u>	<u>3,865,482</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,515,823)</u>	<u>(1,992,571)</u>	<u>(176,185)</u>	<u>(692,402)</u>
<b>Net current assets/(liabilities)</b>		<u>21,260</u>	<u>(973,736)</u>	<u>6,502,915</u>	<u>3,173,080</u>
<b>Total assets less current liabilities</b>		<u>16,858,240</u>	<u>11,321,845</u>	<u>6,519,690</u>	<u>3,230,233</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(6,683,876)</u>	<u>(3,284,845)</u>	<u>(6,652,444)</u>	<u>(3,268,836)</u>
		<u>10,174,364</u>	<u>8,037,000</u>	<u>(132,754)</u>	<u>(38,603)</u>
<b>Capital and reserves</b>					
Called up share capital	18	167	167	167	167
Revaluation reserve	19	9,989,020	7,825,353	-	-
Other reserves	19	4	4	-	-
Profit and loss account	19	185,173	211,476	(132,921)	(38,770)
<b>Shareholders' funds - equity interests</b>	20	<u>10,174,364</u>	<u>8,037,000</u>	<u>(132,754)</u>	<u>(38,603)</u>

The financial statements were approved by the Board on 20 August 2004 and signed on its behalf by:

  
J S Sixsmith  
Director

  
L I P Carminger  
Director

# HISTORIC SUSSEX HOTELS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2003

	2003		2002	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		757,091		581,670
<b>Returns on investments and servicing of finance</b>				
Interest received	4,147		4,139	
Interest paid	(493,563)		(480,074)	
Interest element of finance lease rentals	(57,229)		(13,382)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(546,645)		(489,317)
<b>Taxation</b>		(19,491)		-
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(2,802,373)		(261,984)	
Receipts from sales of tangible assets	279,913		246,411	
<b>Net cash (outflow)/inflow for capital expenditure</b>		(2,522,460)		(15,573)
<b>Acquisitions and disposals</b>				
Sale of subsidiary undertakings	-		601,468	
Net overdraft transferred with subsidiary	-		575,991	
<b>Net cash inflow for acquisitions and disposals</b>		-		1,177,639
<b>Equity dividends paid</b>		(100,200)		-
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(2,431,705)		1,254,419
<b>Financing</b>				
New long term bank loan	6,650,000		-	
Repayment of long term bank loan	(3,629,080)		(1,258,193)	
Capital element of hire purchase contracts	(16,566)		(183,220)	
<b>Net cash inflow/(outflow) from financing</b>		3,004,354		(1,441,413)
<b>Increase/(decrease) in cash in the period</b>		572,649		(186,994)

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2003

1	Reconciliation of operating profit to net cash inflow from operating activities		2003	2002
			£	£
	Operating profit		401,157	583,647
	Depreciation of tangible assets		239,283	263,938
	Loss/(profit) on disposal of tangible assets		2,359	(41,517)
	Exceptional item		114,303	-
	Increase in stocks		(1,907)	(19,240)
	(Increase)/decrease in debtors		(131,550)	38,180
	Increase/(decrease) in creditors within one year		133,446	(243,338)
	Net cash inflow from operating activities		757,091	581,670

2	Analysis of net debt	25 November 2002	Cash flow	Other non-cash changes	30 November 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	669,539	381,593	-	1,051,132
	Bank overdrafts	(538,340)	191,056	-	(347,284)
		131,199	572,649	-	703,848
	Finance leases	(77,078)	48,566	(32,000)	(60,512)
	Debts falling due within one year	(403,198)	-	403,198	-
	Debts falling due after one year	(3,225,882)	(6,650,000)	3,225,882	(6,650,000)
		(3,706,158)	(6,601,434)	3,597,080	(6,710,512)
	Net debt	(3,574,959)	(6,028,785)	3,597,080	(6,006,664)

3	Reconciliation of net cash flow to movement in net debt	2003	2002
		£	£
	Increase/(decrease) in cash in the period	572,649	(186,994)
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(6,601,434)	1,516,413
	Change in net debt resulting from cash flows	(6,028,785)	1,329,419
	Transfer of loans with sale of subsidiary	-	742,078
	New finance lease	(32,000)	(46,000)
	Other changes in debt and lease financing	3,629,080	-
	Movement in net debt in the period	(2,431,705)	2,025,497
	Opening net debt	(3,574,959)	(5,600,456)
	Closing net debt	(6,006,664)	(3,574,959)

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

---

### 1 Accounting policies

#### 1.1 Accounting convention

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

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of Historic Sussex Hotels Limited and its subsidiary undertakings for the period ended 30 November 2003.

The group financial statements have been prepared in accordance with the principles of merger accounting as detailed in Financial Reporting Standard No 6: Acquisitions and Mergers in so far as this applies to the group reconstruction undertaken in 1998. The subsidiary undertaking acquired subsequently by the group (and now disposed of) was accounted for using the acquisition method of accounting.

In the prior period the group disposed of a wholly owned subsidiary, Cherub Hotels Limited. The results of the subsidiary were consolidated up to the date of disposal, 1 September 2002.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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:

Land and buildings - Leasehold	period of the lease
Health club and spa equipment	10% on cost
Fixtures, fittings & equipment	20% written down value
Motor vehicles	1/3 on cost

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.

#### 1.5 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.

#### 1.6 Stock

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

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in relation to defined contribution schemes.

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 1 Accounting policies

#### 1.8 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.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation of tangible assets	239,283	263,938
Auditors' remuneration	24,885	22,288

### 4 Exceptional items

	2003 £	2002 £
Profit on sale of freehold property	96,913	-
Damages in respect of disruption to trading activities	114,303	-
	211,216	-

During the year, the group has provided for damages receivable of £114,303 in respect of disruption to its trading activities arising from construction work taking place.

### 5 Profit on disposal of an operation

	2003 £	2002 £
Profit on disposal of subsidiary	-	140,564

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

<b>6</b>	<b>Interest payable</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	436,105	420,955
	Lease finance charges	57,278	13,382
	Other interest and similar charges	61,646	59,119
		<u>555,029</u>	<u>493,456</u>
<b>7</b>	<b>Taxation</b>	<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	(9,700)	19,500
	Adjustment for prior years	(2,706)	-
		<u>(12,406)</u>	<u>19,500</u>
	<b>Current tax charge</b>		
	<b>Factors affecting the tax charge for the period</b>		
	(Loss)/profit on ordinary activities before taxation	<u>61,491</u>	<u>234,894</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 19.00%)	<u>11,683</u>	<u>44,630</u>
	Effects of:		
	Non deductible expenses	9,401	13,281
	Depreciation	13,063	41,272
	Capital allowances	(152,685)	(43,455)
	Deductions allowed	-	(13,028)
	Adjustments to previous periods	(2,706)	-
	Chargeable disposals	36,676	-
	Non chargeable disposals	-	(26,707)
	Other tax adjustments	72,162	3,507
		<u>(24,089)</u>	<u>(25,130)</u>
	<b>Current tax charge</b>	<u>(12,406)</u>	<u>19,500</u>

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

---

### 8 Profit for the financial period

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial period (before payment of dividends) is made up as follows:

	2003 £	2002 £
Holding company's profit for the financial period	6,049	15,450

### 9 Dividends

	2003 £	2002 £
Ordinary interim paid	100,200	-



# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 10 Tangible fixed assets Group

	Land and buildings Freehold £	Land and buildings - Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 25 November 2002	8,994,579	3,864,511	2,117,529	94,497	15,071,116
Additions	2,010,637	-	791,736	-	2,802,373
Revaluation	2,163,667	-	-	-	2,163,667
Disposals	(150,000)	-	-	(42,433)	(192,433)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 November 2003	13,018,883	3,864,511	2,909,265	52,064	19,844,723
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>					
At 25 November 2002	64,686	1,007,705	1,668,805	34,339	2,775,535
On disposals	-	-	-	(7,074)	(7,074)
Charge for the period	-	105,808	123,019	10,455	239,282
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 November 2003	64,686	1,113,513	1,791,824	37,720	3,007,743
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>					
At 30 November 2003	12,954,197	2,750,998	1,117,441	14,344	16,836,980
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 24 November 2002	8,929,893	2,856,806	448,724	60,158	12,295,581
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The freehold land and buildings, (inclusive of fixtures, fittings and equipment) were revalued during the year by the directors on the basis of open market value for existing use as fully operational business units. The freehold land and buildings were last subject to a full external revaluation by Messers Knight Frank, chartered surveyors in February 1999.

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 14.

The leasehold property, inclusive of fixtures and fittings, was also revalued by the directors during the year. No revaluation adjustment was required.

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

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

	£
<b>Cost</b>	
At 25 November 2002 & at 30 November 2003	5,571,222
<b>Depreciation based on cost</b>	
At 25 November 2002	468,272
Charge for the period	30,345
At 30 November 2003	498,617
<b>Net book value</b>	
At 30 November 2003	5,072,605
At 24 November 2002	3,092,313

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>			
At 30 November 2003	51,363	12,300	63,663
At 24 November 2002	22,280	59,408	81,688

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 10 Tangible fixed assets (continued) Company

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 25 November 2002	2,310	79,747	82,057
Additions	4,040	-	4,040
Disposals	-	(42,433)	(42,433)
	<hr/>	<hr/>	<hr/>
At 30 November 2003	6,350	37,314	43,664
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 25 November 2002	832	24,339	25,171
On disposals	-	(7,074)	(7,074)
Charge for the period	1,104	7,955	9,059
	<hr/>	<hr/>	<hr/>
At 30 November 2003	1,936	25,220	27,156
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 November 2003	4,414	12,094	16,508
	<hr/>	<hr/>	<hr/>
At 24 November 2002	1,478	55,408	56,886
	<hr/>	<hr/>	<hr/>

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>			
At 30 November 2003	-	10,050	10,050
At 24 November 2002	-	54,658	54,658
	<hr/>	<hr/>	<hr/>
<b>Depreciation charge for the period</b>			
30 November 2003	-	4,250	4,250
24 November 2002	-	14,529	14,529
	<hr/>	<hr/>	<hr/>

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 11 Fixed asset investments Company

Shares in  
subsidiary  
undertakings  
£

#### Cost

At 25 November 2002 & at 30 November 2003

267

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held
Subsidiary undertakings			
The Spread Eagle Hotel (Midhurst) Limited	England	Ordinary	100
Ockenden Manor Limited	England	Ordinary	100
Beckwell Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
The Spread Eagle Hotel (Midhurst) Limited	Operation of a country hotel
Ockenden Manor Limited	Operation of a country hotel
Beckwell Limited	Operation of a country hotel

### 12 Stocks

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Finished goods and goods for resale	98,892	96,985	-	-

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 13 Debtors

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Trade debtors	222,274	126,850	-	-
Amounts owed by group undertakings	-	-	6,511,526	3,836,666
Corporation tax	3,198	-	-	-
Other debtors	40,412	26,201	12,069	24,900
Prepayments and accrued income	121,175	99,260	3,356	3,616
	<u>387,059</u>	<u>252,311</u>	<u>6,526,951</u>	<u>3,865,182</u>

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

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Amounts owed by group undertakings	-	-	6,408,307	3,225,882
	<u>-</u>	<u>-</u>	<u>6,408,307</u>	<u>3,225,882</u>

### 14 Creditors: amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Bank overdrafts (secured)	347,284	538,340	-	104,576
Net obligations under finance lease and hire purchase contracts	26,636	18,115	7,398	9,057
Trade creditors	649,465	413,994	15,566	8,535
Amounts owed to group undertakings	-	-	66,625	-
Corporation tax	-	19,500	-	-
Other taxes and social security costs	125,119	228,959	53,658	105,452
Other creditors	91,853	517,933	28,700	422,834
Accruals and deferred income	275,466	255,730	4,238	41,948
	<u>1,515,823</u>	<u>1,992,571</u>	<u>176,185</u>	<u>692,402</u>

The bank loans and overdraft and 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.

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 15 Creditors : amounts falling due after more than one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Other loans	6,650,000	3,225,882	6,650,000	3,225,882
Net obligations under finance leases and hire purchase agreements	33,876	58,963	2,444	42,954
	<u>6,683,876</u>	<u>3,284,845</u>	<u>6,652,444</u>	<u>3,268,836</u>
<b>Analysis of loans</b>				
Not wholly repayable within five years by instalments:	6,650,000	380,080	6,650,000	380,080
Wholly repayable within five years	-	3,249,000	-	3,249,000
	<u>6,650,000</u>	<u>3,629,080</u>	<u>6,650,000</u>	<u>3,629,080</u>
Included in current liabilities	-	(403,198)	-	(403,198)
	<u>6,650,000</u>	<u>3,225,882</u>	<u>6,650,000</u>	<u>3,225,882</u>
Instalments not due within five years	<u>5,285,647</u>	<u>239,090</u>	<u>5,285,647</u>	<u>239,090</u>
<b>Loan maturity analysis</b>				
Between one and two years	256,018	403,198	256,018	403,198
Between two and five years	1,108,335	2,583,594	1,108,335	2,583,594
In more than five years	<u>5,285,647</u>	<u>239,090</u>	<u>5,285,647</u>	<u>239,090</u>

The loan is secured by way of a debenture and cross corporate guarantees between Historic Sussex Hotels Limited, The Spread Eagle Hotel (Midhurst) Limited, Beckwell Limited and Ockenden Manor Limited.

### Net obligations under finance leases and hire purchase contracts

Repayable within one year	26,636	18,115	7,398	9,057
Repayable between one and five years	33,876	58,963	2,444	42,954
	<u>60,512</u>	<u>77,078</u>	<u>9,842</u>	<u>52,011</u>
	60,512	77,078	9,842	52,011
Included in liabilities falling due within one year	<u>(26,636)</u>	<u>(18,115)</u>	<u>(7,398)</u>	<u>(9,057)</u>
	<u>33,876</u>	<u>58,963</u>	<u>2,444</u>	<u>42,954</u>

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 14 Provisions for liabilities and charges

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

Group	Not provided		Provided	
	2003	2002	2003	2002
	£	£	£	£
Surplus on revaluation of land and buildings	2,854,000	1,698,000	-	-
	<u>2,854,000</u>	<u>1,698,000</u>	<u>-</u>	<u>-</u>

### 17 Pension costs

The company operates certain defined contribution pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £39,034 (2002: £9,230). There were no contributions outstanding at the period end.

18 Share capital	2003	2002
	£	£
<b>Authorised</b>		
1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
167 Ordinary of £1 each	<u>167</u>	<u>167</u>

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 19 Statement of movements on reserves

#### Group

	Revaluation reserve £	Capital reserve £	Profit and loss account £	Total £
Balance at 25 November 2002	7,825,353	4	211,476	8,036,833
Retained loss for the period	-	-	(26,303)	(26,303)
Revaluation during the year	2,163,667	-	-	2,163,667
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 30 November 2003	9,989,020	4	185,173	10,174,197
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### Company

	Profit and loss account £
Balance at 25 November 2002	(38,770)
Retained loss for the period	(94,151)
	<u>          </u>
Balance at 30 November 2003	(132,921)
	<u>          </u>



# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

20	Reconciliation of movements in shareholders' funds Group	2003	2002
		£	£
	Profit for the financial period	73,897	215,394
	Dividends	(100,200)	-
		(26,303)	215,394
	Other recognised gains and losses	2,163,667	698,215
	Net addition to shareholders' funds	2,137,364	913,609
	Opening shareholders' funds	8,037,000	7,123,391
	Closing shareholders' funds	10,174,364	8,037,000
		2003	2002
	Company	£	£
	Profit for the financial period	6,049	15,450
	Dividends	(100,200)	-
	Net (depletion in)/addition to shareholders' funds	(94,151)	15,450
	Opening shareholders' funds	(38,603)	(54,053)
	Closing shareholders' funds	(132,754)	(38,603)
21	Directors' emoluments	2003	2002
		£	£
	Emoluments for qualifying services	360,810	349,436
	Company pension contributions to money purchase schemes	31,952	34,785
		392,762	384,221
	Emoluments disclosed above include the following amounts paid to the highest paid Director:		
	Emoluments for qualifying services	183,500	175,000

# HISTORIC SUSSEX HOTELS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2003

### 22 Employees

#### Number of employees

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

	2003 Number	2002 Number
Mangement	19	19
Administration	6	8
Household and garden	139	158
	<u>164</u>	<u>185</u>

#### Employment costs

	£	£
Wages and salaries	2,006,379	2,229,190
Social security costs	125,540	127,488
Other pension costs	39,034	41,801
	<u>2,170,953</u>	<u>2,398,479</u>

### 23 Control

The ultimate controlling party of the group during the period was Mr and Mrs H N A Goodman.

### 24 Related party transactions

#### Group

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 £165,737 (2002: £140,150) were paid by the group to Taylors Technical Services Limited, a company under common control.