

Registered number: 3673448

HISTORIC SUSSEX HOTELS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 NOVEMBER 2011

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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
Company number	3673448
Registered office	3 Albourne Court Henfield Road West Sussex BN6 9FF
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 27 NOVEMBER 2011

The directors present their report and the audited financial statements of the group for the period ended 27 November 2011

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 loss of £198,094 (2010 £427,421) for the period and sales of £7,208,912 (2010 £7,176,757)

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 loss for the period, after taxation, amounted to £198,094 (2010 - loss £427,421)

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

HISTORIC SUSSEX HOTELS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 27 NOVEMBER 2011

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 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

30th July 2012

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 27 November 2011, set out on pages 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (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 27 November 2011 and of the group's loss 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. The group incurred a net loss of £198,904 during the period ended 27 November 2011 and, at that date, the group had net current liabilities of £715,935 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

Nyman Libson Paul

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 *30 July 2012*

HISTORIC SUSSEX HOTELS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 27 NOVEMBER 2011

	Note	Period ended 27 November 2011 £	Period ended 28 November 2010 £
TURNOVER	1,2	7,208,912	7,176,757
Cost of sales		(2,416,817)	(2,390,574)
GROSS PROFIT		4,792,095	4,786,183
Administrative expenses		(4,584,257)	(4,881,136)
OPERATING PROFIT/(LOSS)	3	207,838	(94,953)
Interest receivable and similar income	6	10,049	58,846
Interest payable and similar charges	5	(415,981)	(391,314)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(198,094)	(427,421)
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL PERIOD	16	(198,094)	(427,421)

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 9 to 23 form part of these financial statements

HISTORIC SUSSEX HOTELS LIMITED
REGISTERED NUMBER. 3673448


CONSOLIDATED BALANCE SHEET
AS AT 27 NOVEMBER 2011

	Note	27 November 2011 £	28 November 2010 £
FIXED ASSETS			
Tangible assets	8	26,651,499	21,987,546
CURRENT ASSETS			
Stocks	10	152,485	136,617
Debtors	11	558,777	293,178
Cash at bank and in hand		795,711	4,628,644
		<u>1,506,973</u>	<u>5,058,439</u>
CREDITORS amounts falling due within one year	12	<u>(2,222,908)</u>	<u>(1,801,780)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(715,935)</u>	<u>3,256,659</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,935,564</u>	<u>25,244,205</u>
CREDITORS amounts falling due after more than one year	13	<u>(13,205,636)</u>	<u>(12,316,183)</u>
NET ASSETS		<u><u>12,729,928</u></u>	<u><u>12,928,022</u></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>(1,221,188)</u>	<u>(1,023,094)</u>
SHAREHOLDERS' FUNDS	17	<u><u>12,729,928</u></u>	<u><u>12,928,022</u></u>

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

30 July 2012.


H N A Goodman
Director


J S Sixsmith
Director

The notes on pages 9 to 23 form part of these financial statements

HISTORIC SUSSEX HOTELS LIMITED
REGISTERED NUMBER. 3673448

COMPANY BALANCE SHEET
AS AT 27 NOVEMBER 2011

	Note	27 November 2011 £	28 November 2010 £
FIXED ASSETS			
Tangible assets	8	37,432	108,022
Investments	9	267	267
		<u>37,699</u>	<u>108,289</u>
CURRENT ASSETS			
Debtors	11	13,692,312	9,729,741
Cash at bank and in hand		177,772	2,813,450
		<u>13,870,084</u>	<u>12,543,191</u>
CREDITORS amounts falling due within one year	12	(681,417)	(348,954)
NET CURRENT ASSETS		<u>13,188,667</u>	<u>12,194,237</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,226,366</u>	<u>12,302,526</u>
CREDITORS amounts falling due after more than one year	13	(13,205,636)	(12,316,183)
NET ASSETS/(LIABILITIES)		<u><u>20,730</u></u>	<u><u>(13,657)</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	200	200
Profit and loss account	16	20,530	(13,857)
SHAREHOLDERS' FUNDS/(DEFICIT)	17	<u><u>20,730</u></u>	<u><u>(13,657)</u></u>

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

30th July 2012

[Signature]

J S Sixsmith
Director

[Signature]

The notes on pages 9 to 23 form part of these financial statements

HISTORIC SUSSEX HOTELS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 27 NOVEMBER 2011

	Note	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Net cash flow from operating activities	26	320,492	132,440
Returns on investments and servicing of finance	27	(405,932)	(332,468)
Capital expenditure and financial investment	27	(4,918,748)	(1,729,285)
CASH OUTFLOW BEFORE FINANCING		(5,004,188)	(1,929,313)
Financing	27	1,213,229	2,715,982
(DECREASE)/INCREASE IN CASH IN THE PERIOD		(3,790,959)	786,669

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE PERIOD ENDED 27 NOVEMBER 2011

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
(Decrease)/Increase in cash in the period	(3,790,959)	786,669
Cash inflow from increase in debt and lease financing	(1,213,229)	(2,715,949)
MOVEMENT IN NET DEBT IN THE PERIOD	(5,004,188)	(1,929,280)
Net debt at 29 November 2010	(7,815,578)	(5,886,298)
NET DEBT AT 27 NOVEMBER 2011	(12,819,766)	(7,815,578)

The notes on pages 9 to 23 form part of these financial statements

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

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

During the year the group incurred a net loss of £198,094 and, as at the balance sheet date, had net current liabilities of £715,935. The group has the full support of its bankers, with long term financing arrangements in place, which it continues to be able to service, and sales revenue has been increasing in the current year. The directors have prepared cash flow forecasts for the next twelve months which indicate the group will continue to have adequate cash resources to continue in operational existence for the foreseeable future. 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 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

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

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

1. ACCOUNTING POLICIES (continued)

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

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

2 TURNOVER

The whole of the turnover is attributable to its principal activity

All turnover arose within the United Kingdom

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Depreciation of tangible fixed assets		
- owned by the group	254,794	277,519
Auditors' remuneration	26,750	31,677
Operating lease rentals		
- plant and machinery	1,214	8,071
- other operating leases	137,671	63,094
Loss on sale of tangible assets	1	12,091
	<u>419,420</u>	<u>392,352</u>

Auditors fees for the company were £6,000 (2010 - £6,000)

4. TAXATION

No provision for corporation tax has been made as the group has estimated tax losses in excess of £1,110,000 (2010 - £1,150,000) available to carry forward against future trading profits

5. INTEREST PAYABLE

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
On bank loans and overdrafts	411,010	380,978
Other interest	4,971	10,336
	<u>415,981</u>	<u>391,314</u>

6. INTEREST RECEIVABLE

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Other interest receivable	10,049	58,846
	<u>10,049</u>	<u>58,846</u>

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

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 27 November 2011 £	Period ended 28 November 2010 £
Holding company's profit / (loss) for the financial period	34,387	5,476

8. TANGIBLE FIXED ASSETS

Group	Freehold property £	L/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 29 November 2010	18,370,185	4,559,774	204,761	3,941,263	27,075,983
Additions	4,656,055	-	-	317,693	4,973,748
Disposals	-	-	(143,837)	-	(143,837)
At 27 November 2011	23,026,240	4,559,774	60,924	4,258,956	31,905,894
Depreciation					
At 29 November 2010	64,686	1,897,690	103,144	3,022,917	5,088,437
Charge for the period	-	71,949	14,308	168,537	254,794
On disposals	-	-	(88,836)	-	(88,836)
At 27 November 2011	64,686	1,969,639	28,616	3,191,454	5,254,395
Net book value					
At 27 November 2011	22,961,554	2,590,135	32,308	1,067,502	26,651,499
At 28 November 2010	18,305,499	2,662,084	101,617	918,346	21,987,546

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

8. TANGIBLE FIXED ASSETS (continued)

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

	27 November 2011	28 November 2010
Group	£	£
Motor vehicles	32,308	101,617

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 27 November 2011 is as follows

	Land and buildings
Group	
At cost	13,397,519
At valuation	
Revaluation to open market value as at 27 November 2011	14,188,495
	<u>27,586,014</u>

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

	27 November 2011	28 November 2010
Group	£	£
Cost	13,397,519	8,741,464
Accumulated depreciation	(750,867)	(719,363)
Net book value	<u>12,646,652</u>	<u>8,022,101</u>

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

Company	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation			
At 29 November 2010	204,761	19,605	224,366
Disposals	(143,837)	-	(143,837)
At 27 November 2011	60,924	19,605	80,529
Depreciation			
At 29 November 2010	103,144	13,200	116,344
Charge for the period	14,308	1,281	15,589
On disposals	(88,836)	-	(88,836)
At 27 November 2011	28,616	14,481	43,097
Net book value			
At 27 November 2011	32,308	5,124	37,432
At 28 November 2010	101,617	6,405	108,022

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

Company	27 November 2011 £	28 November 2010 £
Motor vehicles	32,308	101,617

9. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 29 November 2010 and 27 November 2011	267
Net book value	
At 27 November 2011	267
At 28 November 2010	267

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

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%

10 STOCKS

	Group		Company	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Finished goods and goods for resale	152,485	136,617	-	-

11. DEBTORS

	Group		Company	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Trade debtors	110,890	79,761	9,114	7,638
Amounts owed by group undertakings	-	-	13,646,487	9,648,586
Other debtors	253,439	22,252	20,834	18,858
Prepayments and accrued income	194,448	191,165	15,877	54,659
	558,777	293,178	13,692,312	9,729,741

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

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts owed by group undertakings	-	-	10,720,586	7,365,802

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

12. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Bank loans and overdrafts (secured)	397,084	41,974	397,084	-
Net obligations under finance leases and hire purchase contracts	12,757	86,065	12,757	86,065
Trade creditors	805,349	764,891	109,855	112,612
Social security and other taxes	263,288	264,819	73,794	70,492
Other creditors	45,663	53,441	3,399	3,399
Accruals and deferred income	698,767	590,590	84,528	76,386
	<u>2,222,908</u>	<u>1,801,780</u>	<u>681,417</u>	<u>348,954</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

13. CREDITORS Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Other loans	13,182,211	12,280,000	13,182,211	12,280,000
Net obligations under finance leases and hire purchase contracts	23,425	36,183	23,425	36,183
	<u>13,205,636</u>	<u>12,316,183</u>	<u>13,205,636</u>	<u>12,316,183</u>

Included within the above are amounts falling due as follows

	<u>Group</u>		<u>Company</u>	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Between one and two years				
Other loans	<u>526,509</u>	<u>397,084</u>	<u>526,509</u>	<u>397,084</u>
Between two and five years				
Other loans	<u>1,719,516</u>	<u>1,517,341</u>	<u>1,719,516</u>	<u>1,517,341</u>
Over five years				
Other loans	<u>10,936,186</u>	<u>10,365,575</u>	<u>10,936,186</u>	<u>10,365,575</u>

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

13. CREDITORS:

Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>Company</u>	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Repayable by instalments	10,936,186	10,365,575	10,936,186	10,365,575

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 under an interest rate swap with an effective interest rate of 4.09%.

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

	<u>Group</u>		<u>Company</u>	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Between one and five years	23,425	36,183	23,425	36,183

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation not provided in the financial statements are as follows

	Period ended 27 November 2011	Period ended 28 November 2010
	£	£
Surplus on revaluation of land and buildings - group	2,867,500	2,910,000

15. SHARE CAPITAL

	27 November 2011	28 November 2010
	£	£
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	200	200

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

16. RESERVES

	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
Group			
At 29 November 2010	4	13,950,912	(1,023,094)
Loss for the period			(198,094)
At 27 November 2011	<u>4</u>	<u>13,950,912</u>	<u>(1,221,188)</u>
Company			Profit and loss account £
At 29 November 2010			(13,857)
Profit for the period			34,387
At 27 November 2011			<u>20,530</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	27 November 2011 £	28 November 2010 £
Group		
Opening shareholders' funds	12,928,022	13,355,410
Loss for the period	(198,094)	(427,421)
Shares issued during the period	-	33
Closing shareholders' funds	<u>12,729,928</u>	<u>12,928,022</u>
Company		
Opening shareholders' deficit	(13,657)	(19,166)
Profit for the period	34,387	5,476
Shares issued during the period	-	33
Closing shareholders' funds/(deficit)	<u>20,730</u>	<u>(13,657)</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 profit for the period dealt with in the accounts of the company was £34,387 (2010 - £5,476)

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

18. CAPITAL COMMITMENTS

At 27 November 2011 the group and company had capital commitments as follows

	<u>Group</u>		<u>Company</u>	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Contracted for but not provided in these financial statements	-	5,000,000	-	-

19. 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 £65,054 (2010 - £98,829).

20. FINANCIAL COMMITMENTS

At 27 November 2011 the Group had annual commitments under non-cancellable operating leases as follows

	<u>Land and buildings</u>		<u>Other</u>	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Group				
Expiry date				
Between 2 and 5 years	28,780	28,780	-	-
After more than 5 years	110,000	110,000	-	-

At 27 November 2011 the Company had annual commitments under non-cancellable operating leases as follows

	<u>Land and buildings</u>		<u>Other</u>	
	27 November 2011	28 November 2010	27 November 2011	28 November 2010
	£	£	£	£
Company				
Expiry date				
Between 2 and 5 years	28,000	28,000	-	-

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

21. DIRECTORS' REMUNERATION

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Emoluments	429,851	444,950
Company pension contributions to defined contribution pension schemes	36,547	56,284

During the period retirement benefits were accruing to 4 directors (2010 - 4) in respect of defined contribution pension schemes

The highest paid director received remuneration of £140,853 (2010 - £253,227)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £947 (2010 - £11,461)

22. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Wages and salaries	2,949,871	2,946,892
Social security costs	238,980	240,944
Other pension costs	65,054	98,829
	3,253,905	3,286,665

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

	Period ended 27 November 2011 No	Period ended 28 November 2010 No
Management	10	12
Administration	10	7
Household and garden	177	174
	197	193

23. CONTROLLING PARTY

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

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 NOVEMBER 2011

24. 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 £nil (2010 £242,000) and purchases of £nil (2010 £421) were paid by the company to Taylors Technical Services Limited, a company under common control. At the balance sheet date, creditors include £27,787 (2010 £25,850) due to Taylors Technical Services Limited

During the period rent of £27,923 (2010 £20,802) and pension contributions of £36,547 (2010 £nil) were paid by the company to the Historic Sussex Hotels Self Administered Pension Scheme. Included within prepayments is £2,622 (2010 £2,531) due from, and included in trade creditors is £3,837 (2010 £nil) 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 year the company sold a motor vehicle to Mr H N A Goodman, a director of the company, for £55,000. At the balance sheet date the company was owed £4,478 (2010 £3,704) by Mr H N A Goodman Goodman

25. FINANCIAL INSTRUMENTS

During the period, the company entered into 3 interest rate swaps. At 27 November 2011, the outstanding swaps are as follows

£2,530,000 bank loan under which the company pays a fixed rate and receives a floating rate of interest based on 3 months' LIBOR. The instrument expires in September 2017

£5,000,000 bank loan under which the company pays a fixed rate and receives a floating rate of interest based on 3 months' LIBOR. The instrument expires in September 2015

£2,000,000 bank loan under which the company pays a fixed rate and receives a floating rate of interest based on 3 months' LIBOR. The instrument expires in September 2013

The total loan under these instruments is £9,530,000 which has been disclosed in Note 13

HISTORIC SUSSEX HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 NOVEMBER 2011**

26. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Operating profit/(loss)	207,838	(94,953)
Depreciation of tangible fixed assets	254,794	277,519
Loss on disposal of tangible fixed assets	1	12,091
Increase in stocks	(15,868)	(2,832)
Increase in debtors	(265,599)	(57,317)
Increase/(decrease) in creditors	139,326	(2,068)
Net cash inflow from operating activities	320,492	132,440

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

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Returns on investments and servicing of finance		
Interest received	10,049	58,846
Interest paid	(415,981)	(391,314)
Net cash outflow from returns on investments and servicing of finance	(405,932)	(332,468)
	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,973,748)	(1,779,285)
Sale of tangible fixed assets	55,000	50,000
Net cash outflow from capital expenditure	(4,918,748)	(1,729,285)

HISTORIC SUSSEX HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 NOVEMBER 2011

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

	Period ended 27 November 2011 £	Period ended 28 November 2010 £
Financing		
Issue of ordinary shares	-	33
Repayment of loans	-	(5,450)
Other new loans	1,299,295	2,753,798
Repayment of finance leases	(86,066)	(32,399)
Net cash inflow from financing	1,213,229	2,715,982

28. ANALYSIS OF CHANGES IN NET DEBT

	29 November 2010 £	Cash flow £	Other non-cash changes £	27 November 2011 £
Cash at bank and in hand	4,628,644	(3,832,933)	-	795,711
Bank overdraft	(41,974)	41,974	-	-
	<u>4,586,670</u>	<u>(3,790,959)</u>	<u>-</u>	<u>795,711</u>
Debt:				
Debts due within one year	(86,065)	(323,776)	-	(409,841)
Debts falling due after more than one year	(12,316,183)	(889,453)	-	(13,205,636)
Net debt	<u>(7,815,578)</u>	<u>(5,004,188)</u>	<u>-</u>	<u>(12,819,766)</u>