

# Success follows a £2m shock for the first-time hoteliers

By Robert Temple

Within five months of opening Ston Easton Park near Bath as a country house hotel, Peter and Christine Smedley had been awarded Egon Ronay's coveted Golden Plate Award for Hotel of the Year, 1982.

It put them on the catering map but hardly solved their problems. At the time they had only five rooms and their turnover for the 11 months of their first financial year was £191,000.

The turnover and number of rooms grew in each successive year: £428,000 for 1983-84 (12 rooms), £633,000 for 1984-85 (16 rooms) and £789,800 for 1985-86 (20 rooms).

The maximum number of rooms possible has now been reached and, despite cancellations from American tourists, the 1985-86 turnover derived from higher prices will fall not far short of £1 million.

The Smedleys bought the 25-acre property in 1978 for £165,000 from Sir William Rees-Mogg, a former editor of *The Times*. Though it already had hotel planning permission, they assumed that for a sum roughly equivalent to the

purchase price they could turn the house into a home.

In what turned out to be a crucial decision, they installed hotel-standard fire precautions to facilitate any future sale. What they didn't expect was that work on the house would end up costing them about £2 million.

Ston Easton has a Tudor core but was "Palladianized" in 1740 when it gained an impressive stone facade. The house was extensively stripped and steel joists inserted to take the weight of extra bathrooms.

Mr Smedley said: "Right from the outset I wanted to bring the house back as a full working entity. We never applied for any grants as we regarded that as too much trouble. We regret that now. Money went out like a storm."

The Smedley's high costs forced them to consider turning the house to commercial uses. They nearly opened it as an old people's home. Then in October, 1981, they decided it must become a hotel and it opened the following June.

The original purchase had meant a £60,000 mortgage. But in all the sub-



**Peter and Christine Smedley hope that others will learn by their experience**

sequent demands for capital the Smedleys never considered financial partners or substantial loans gearing. To finance Ston Easton's expansion they sold various London properties that Peter Smedley had laboriously acquired over many years.

The Smedleys believe their experience holds a lesson for other country house owners considering conversion to a hotel operation. Mr Smedley said: "If we had borrowed the money to fix up Ston Easton the interest would have been crippling. We are not only running a hotel here but preserving a historic house. That is not cheap."