

Registered number
1786119

ETTINGTON PARK GROUP LIMITED

Report and Accounts

27 November 2003



ETTINGTON PARK GROUP LIMITED
Report and accounts
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ETTINGTON PARK GROUP LIMITED
Company Information

Directors

R C Felton
J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

PKF
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Registered office

The Old Library
The Drive
Sevenoaks
Kent
TN13 3AB

Registered number

1786119

ETTINGTON PARK GROUP LIMITED

Directors' Report

The directors present their report and accounts for the 52 weeks ended 27 November 2003.

Principal activities

The company's principal activity during the period continued to be that of the ownership and rental of the Ettington Park Hotel.

Review of business

The results for the period and financial position of the company are as shown in the annexed financial statements.

Dividends

No dividends will be distributed for the period ended 27 November 2003.

Directors

The directors who served during the period under review were:

R.C. Felton

J. Hands

The directors holding office at 27 November 2003 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 28 November 2002 or 27 November 2003, except J Hands, who holds two shares.

Statement of Directors' responsibilities

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

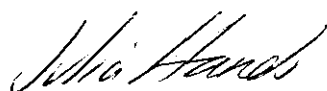
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the directors' report and other information included in the financial statements is prepared in accordance with company law in the United Kingdom.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint PKF as auditors will be put to the forthcoming Annual General Meeting.



J Hands
Director

ETTINGTON PARK GROUP LIMITED

Independent auditors' report to the members of ETTINGTON PARK GROUP LIMITED

We have audited the accounts of Ettington Park Group Limited for the period ended 27 November 2003 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 27 November 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

AKF

PKF
Registered auditors

London

~~April 2004~~
12 May 2004 .

ETTINGTON PARK GROUP LIMITED**Profit and Loss Account****for the period from 29 November 2002 to 27 November 2003**

	Notes	52 weeks ended 27 November 2003 £	52 weeks ended 28 November 2002 £
Administrative expenses		(85,081)	(146,285)
Operating loss	2	<u>(85,081)</u>	<u>(146,285)</u>
Loss on ordinary activities before taxation		<u>(85,081)</u>	<u>(146,285)</u>
Tax on loss on ordinary activities	4	(98,728)	98,728
Retained loss for the period	10	<u>(183,809)</u>	<u>(47,557)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two periods.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above two periods.

ETTINGTON PARK GROUP LIMITED**Balance Sheet****as at 27 November 2003**

	Notes	27 November 2003 £	28 November 2002 £
Fixed assets			
Tangible assets	5	6,389,645	6,474,726
Current assets			
Debtors	6	243,895	243,895
Creditors: amounts falling due within one year	7	(287,213)	(287,213)
Net current liabilities		(43,318)	(43,318)
Total assets less current liabilities		6,346,327	6,431,408
Provisions for liabilities and charges			
Deferred taxation	4	-	98,728
		<u>6,346,327</u>	<u>6,530,136</u>
Capital and reserves			
Called up share capital	8	2,063,433	2,063,433
Revaluation reserve	9	3,213,650	3,247,362
Profit and loss account	10	1,069,244	1,219,341
Shareholders' funds (including non-equity)	11	<u>6,346,327</u>	<u>6,530,136</u>



J Hands

Director

Approved by the board on 28 April 2004

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 29 November 2002 to 27 November 2003

1 Accounting policies

Fundamental Accounting Concept

The accounts have been prepared on a going concern basis on the basis of continuing financial support from the intermediate parent undertaking Hand Picked Hotels Limited.

Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of the hotel and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the period of the lease
Plant and machinery	4 to 25 years

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking.

Deferred taxation

Deferred tax is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using the full provision basis set out in Financial Reporting Standard 19.

Related party transactions

The company has taken advantage of the exemptions in FRS 8 in connection with the disclosure of transactions with other group undertakings.

2 Operating loss	2003	2002
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	<u>85,081</u>	<u>146,285</u>

The auditors' remuneration for the period ended 27 November 2003 has been borne by another group company.

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 29 November 2002 to 27 November 2003

3 Staff costs	2003	2002
Average number of employees during the year	Number	Number
Administration	<u>2</u>	<u>2</u>

There were no staff costs for the period ended 27 November 2003 (2002: £nil).

None of the directors received any remuneration for the period (2002: £nil).

4 Taxation	2003	2002
Current year charge	£	£
Corporation tax	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	98,728	(98,728)
Total tax	<u>98,728</u>	<u>(98,728)</u>
Factors affecting tax charge for the period	£	£
Loss on ordinary activities before tax	<u>(85,081)</u>	<u>(146,285)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax (30%)	(25,524)	(43,886)
<i>Explained by:</i>		
Capital allowances for period in excess of depreciation	(26,597)	-
Depreciation for period in excess of capital allowances	-	(15,794)
Trading losses arising in the period utilised	-	59,680
Group relief surrendered	52,121	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax	£	
At 29 November 2002	98,728	
Charged to profit and loss	<u>(98,728)</u>	
At 27 November 2003	<u>-</u>	

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 29 November 2002 to 27 November 2003

5 Tangible fixed assets

	Long leasehold land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 29 November 2002	6,516,235	2,398,942	8,915,177
Disposals	-	(1,838,314)	(1,838,314)
At 27 November 2003	<u>6,516,235</u>	<u>560,628</u>	<u>7,076,863</u>
Depreciation			
At 29 November 2002	507,365	1,933,086	2,440,451
Charge for the 52 weeks	62,656	22,425	85,081
On disposals	-	(1,838,314)	(1,838,314)
At 27 November 2003	<u>570,021</u>	<u>117,197</u>	<u>687,218</u>
Net book value			
At 27 November 2003	<u>5,946,214</u>	<u>443,431</u>	<u>6,389,645</u>
At 28 November 2002	<u>6,008,870</u>	<u>465,856</u>	<u>6,474,726</u>

Leasehold land and buildings are included at open market valuation at November 1999 by Weatherall Green & Smith Chartered Surveyors. It is not intended that the land and buildings will be subject to further periodic valuations.

Cumulative capitalised interest amounts to £16,253 (2002: £16,253).

If leasehold land and buildings had not been revalued they would have been included at the following historical cost:

	2003 £	2002 £
Cost	<u>3,014,947</u>	<u>3,014,947</u>
Aggregate depreciation	<u>282,383</u>	<u>253,439</u>

6 Debtors

	2003 £	2002 £
Amounts due from immediate parent undertaking	<u>243,895</u>	<u>243,895</u>

7 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts due to intermediate parent undertaking	237,213	237,213
Preference dividends payable	<u>50,000</u>	<u>50,000</u>
	<u>287,213</u>	<u>287,213</u>

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 29 November 2002 to 27 November 2003

8 Share capital	2003 No	2002 No	2003 £	2002 £
Authorised:				
<i>Non-equity</i>				
Cumulative redeemable non-participating preference shares of £1 each	500,000	500,000	500,000	500,000
<i>Equity</i>				
'A' Ordinary shares of £1 each	4,000,000	4,000,000	4,000,000	4,000,000
'B' Ordinary shares of 75p each	666,666	666,666	500,000	500,000
			<u>5,000,000</u>	<u>5,000,000</u>
Allotted, issued and fully paid:				
<i>Non-equity</i>				
Cumulative redeemable non-participating preference shares of £1 each	500,000	500,000	500,000	500,000
<i>Equity</i>				
'A' Ordinary shares of £1 each	1,063,433	1,063,433	1,063,433	1,063,433
'B' Ordinary shares of 75p each	666,666	666,666	500,000	500,000
			<u>2,063,433</u>	<u>2,063,433</u>

The preference shares carry dividend rights at 10%. The holder of the preference shares has waived its right to the dividend in 2002 and 2003. The preference shares are redeemable at par at the option of either the company or the shareholder subject to certain conditions.

The preference shares are nonvoting, the A and B shares attract one vote per share held. On return of capital the assets of the company shall first be applied in repaying the preference shares, then the amounts paid up on ordinary shares then finally the balance among the A and B shareholders on the basis of £1 for each share held.

9 Revaluation reserve	2003 £	2002 £
At 29 November 2002	3,247,362	3,281,074
Transfers relating to revalued assets	(33,712)	(33,712)
At 27 November 2003	<u>3,213,650</u>	<u>3,247,362</u>
10 Profit and loss account	2003 £	2002 £
At 29 November 2002	1,219,341	1,233,186
Retained loss	(183,809)	(47,557)
Transfers relating to revalued assets	33,712	33,712
At 27 November 2003	<u>1,069,244</u>	<u>1,219,341</u>

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 29 November 2002 to 27 November 2003

11 Reconciliation of movement in shareholders' funds

	2003 £	2002 £
At 29 November 2002	6,530,136	6,577,693
Loss for the financial period	(183,809)	(47,557)
At 27 November 2003	<u>6,346,327</u>	<u>6,530,136</u>
Non-equity	500,000	500,000
Equity	<u>5,846,327</u>	<u>6,030,136</u>
	<u>6,346,327</u>	<u>6,530,136</u>

12 Contingent liability

The company has granted a fixed and floating charge over the company and all property and assets, present and future, as part of the group's banking arrangements. The amount owed by the Hand Picked Hotels group, as at 27 November 2003 was £61,250,000 (2002: £49,875,000).

13 Ultimate Parent Company

The company's ultimate parent undertaking is Benfica Limited, which is registered in the Isle of Man. The company's immediate parent is Wy (Ettington Park) Limited a company registered in England and Wales. The largest and smallest group, in whose financial statements the results of the company will be consolidated is Hand Picked Hotels Limited, which is registered in England and Wales. The consolidated accounts of Hand Picked Hotels Limited will be available to the public and will be obtainable in due course from the Registrar of Companies, Companies House, Crown Way, Cardiff.

The controlling party is Mr G Hands.