

**WBS INVESTMENT LIMITED**  
(formerly WB Stapleford Investment Limited)

**Report and Financial Statements**

**31 December 2000**

**Deloitte & Touche**  
1 Woodborough Road  
Nottingham  
NG1 3FG



**REPORT AND FINANCIAL STATEMENTS 2000**

<b>CONTENTS</b>	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

**REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

P J De Savary  
W H Walton (USA)  
P D Kazilionis (USA)

**SECRETARY**

P K Fox  
H Patel

**REGISTERED OFFICE**

246-248 Great Portland Street  
London  
W1N 6JL

**SOLICITORS**

Evans Dodd  
5 Balfour Place  
Mount Street  
London  
W1Y 5RG

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
1 Woodborough Road  
Nottingham  
NG1 3FG

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### **ACTIVITIES**

WBS Investment Limited is the holding company of a company engaged in the operation of a luxury country house hotel and sporting estate.

### **REVIEW OF DEVELOPMENTS & FUTURE PROSPECTS**

The results for the year are shown in the profit and loss account on page 5. The investment in the luxury country house hotel was sold post year-end.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

Details of the results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were:

P J De Savary  
W H Walton  
P D Kazilionis

During the period, no director had any interest in the share capital of the company.

The secretaries who served during the period were:

P K Fox  
J Keefe (resigned 20 September 2001)  
H Patel (appointed 20 September 2001)

### **DIRECTORS' STATEMENT OF 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 as at the end of the financial year and of the profit or loss of the company 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; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

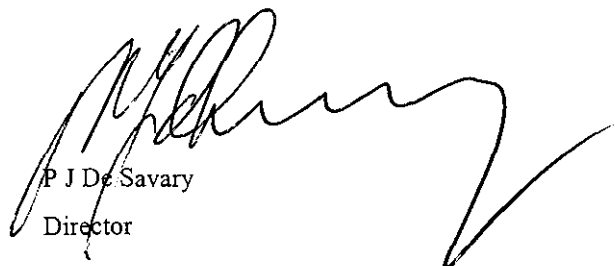
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

## DIRECTORS' REPORT

### AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



P J De Savary  
Director



**WBS INVESTMENT LIMITED  
(formerly WB Stapleford Investment Limited)**

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of 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 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and  
Registered Auditors

*11 December 2001*

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2000**

	<b>Note</b>	<b>2000 £</b>	<b>1999 £</b>
Impairment of fixed asset investment	5	(2,260,000)	-
Interest payable and similar charges	3	<u>(345,906)</u>	<u>(318,664)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(2,605,906)</b>	<b>(318,664)</b>
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	10	<b>(2,605,906)</b>	<b>(318,664)</b>
Retained loss brought forward	10	<u>(550,443)</u>	<u>(231,779)</u>
<b>Retained loss carried forward</b>	10	<b><u>(3,156,349)</u></b>	<b><u>(550,443)</u></b>

There are no recognised gains or losses other than the loss for the current and prior year.

All results derive from continuing operations.

**BALANCE SHEET**  
**31 December 2000**

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Investments	5	-	8,050,000
<b>CURRENT ASSETS</b>			
Investments	5	5,790,000	-
Debtors	6	1	1
		5,790,001	1
<b>CREDITORS: amounts falling due within one year</b>	7	(896,349)	(550,443)
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		4,893,652	(550,442)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,893,652	7,499,558
<b>CREDITORS: amounts falling due after more than one year</b>	8	(8,050,000)	(8,050,000)
<b>NET LIABILITIES</b>		(3,156,348)	(550,442)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	(3,156,349)	(550,443)
<b>DEFICIT ON EQUITY SHAREHOLDERS' FUNDS</b>		(3,156,348)	(550,442)

These financial statements were approved by the Board of Directors on 7 December 2001

Signed on behalf of the Board of Directors

  
P.J. De Savary  
Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Investments**

Investments are stated at cost less provision for any impairment.

**Deferred taxation**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise. No provision is made in these accounts for deferred tax assets.

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The directors of WBS Investment Limited received no remuneration in respect of this directorship. The directors were the only employees of the company. The audit fee of £3,000 (1999: £2,500) is borne by Stapleford Park Limited.

**3. INTEREST PAYABLE AND SIMILAR CHARGES**

	2000 £	1999 £
Interest payable on parent company loan	<u>345,906</u>	<u>318,664</u>

**4. TAX ON LOSS ON ORDINARY ACTIVITIES**

No corporation taxation has been provided for in the accounts as the company has made a loss in the period.

**5. INVESTMENTS**

	2000 £	1999 £
Shares in subsidiary undertakings	8,050,000	8,050,000
Impairment	<u>(2,260,000)</u>	<u>-</u>
	<u>5,790,000</u>	<u>8,050,000</u>

The investment was sold on 22 May 2001 for its revised carrying value.

Due to the sale of the investment post-year end, the company will no longer derive long term benefits from the investment and it is therefore disclosed as a current assets and not as a fixed asset as in prior years.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**5. INVESTMENTS (continued)**

Group accounts have not been prepared as the company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985. These financial statements present information about this company as an individual undertaking as not about its group.

The shares in subsidiary undertakings represent 100% of the equity share capital of Stapleford Park Limited, a company incorporated in the United Kingdom.

	Nature of activity	Aggregate amount of capital and reserves at 31 December 2000	Loss for the year to 31 December 2000
Stapleford Park Limited	Running a luxury country hotel	<u>5,011,954</u>	<u>290,131</u>

**6. DEBTORS due within one year**

	2000 £	1999 £
Amounts owed by parent company	<u>1</u>	<u>1</u>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000 £	1999 £
Amounts due to parent company	<u>896,349</u>	<u>550,443</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Parent company loans:		
Between two and five years	3,634,000	3,634,000
Payable on resolution of the directors or liquidation of the company	<u>4,416,000</u>	<u>4,416,000</u>
	<u>8,050,000</u>	<u>8,050,000</u>

The amounts due to the parent company relate to two loans from Westbrook Carnegie Investments LLC; a loan of £4,416,000 which does not attract interest, and a loan of £3,634,000 which attracts interest at 8%. The loan of £3,634,000 is repayable on 16 March 2003 while the loan of £4,416,000 is repayable only on resolution of the directors of WBS Investment Limited or on liquidation of the company. The directors may elect to repay this loan by way of an issue of ordinary shares of an equivalent to the principal amount of the loan.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**9. CALLED UP SHARE CAPITAL**

	2000 £	1999 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1</u>	<u>1</u>
<b>Issued, allotted and fully paid</b>		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

**10. MOVEMENTS ON RESERVES AND SHAREHOLDERS FUNDS**

	Share capital £	Profit and loss account £	Total Shareholders' funds £
At 1 January 2000	1	(550,443)	(550,442)
Loss for the year	-	(2,605,906)	(2,605,906)
	<u>1</u>	<u>(3,156,349)</u>	<u>(3,156,348)</u>
At 31 December 2000	1	(3,156,349)	(3,156,348)

**11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The ultimate controlling party is Westbrook Partners LLC, incorporated in the United States of America.

**12. POST BALANCE SHEET EVENT**

The investment in Stapleford Park Limited was sold on 22 May 2001 for £5,790,000.