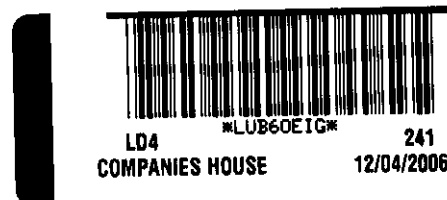


Registered number
3785379

NORTON CRATHORNE (NO.2) LIMITED

Report and Accounts

24 November 2005



NORTON CRATHORNE (NO.2) LIMITED
Report and accounts
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NORTON CRATHORNE (NO.2) LIMITED
Company Information

Directors

R C Felton

J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

PKF (UK) LLP

Farringdon Place

20 Farringdon Road

London, UK

EC1M 3AP

Registered office

The Old Library

The Drive

Sevenoaks

Kent

TN13 3AB

Registered number

3785379

NORTON CRATHORNE (NO.2) LIMITED

Directors' Report

The directors present their report and accounts for the period ended 24 November 2005.

Principal activities

The company's principal activity during the year continued to be that of the ownership of the freehold of the Crathorne Hall and Norton House hotels.

Review of business and future developments

The results for the period and financial position of the company are as shown in the annexed financial statements. The directors are optimistic as to the future success of the company.

Dividends

No dividends will be distributed for the period ended 24 November 2005.

Directors

The directors who served during the period under review were:

R.C. Felton

J. Hands

The directors holding office at 24 November 2005 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 25 November 2004 or 24 November 2005, 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:

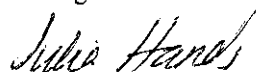
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26 (5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming Annual General Meeting.



J Hands

Director

NORTON CRATHORNE (NO.2) LIMITED

Independent auditors' report to the members of NORTON CRATHORNE (NO.2) LIMITED

We have audited the accounts of Norton Crathorne (No.2) Limited for the period ended 24 November 2005 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 24 November 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF(UK)LLP

PKF (UK) LLP
Registered auditors

London, UK

5 April 2006

NORTON CRATHORNE (NO.2) LIMITED**Profit and Loss Account****for the period from 26 November 2004 to 24 November 2005**

	Notes	52 weeks ended 24 November 2005 £	52 weeks ended 25 November 2004 £
Turnover		3,500	3,500
Administrative expenses		(85,000)	(83,609)
Operating loss	2	<u>(81,500)</u>	<u>(80,109)</u>
Loss on ordinary activities before taxation		<u>(81,500)</u>	<u>(80,109)</u>
Tax on loss on ordinary activities	4	12,065	11,500
Retained loss for the period	8	<u>(69,435)</u>	<u>(68,609)</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.

NORTON CRATHORNE (NO.2) LIMITED**Balance Sheet****as at 24 November 2005**

	Notes	24 November 2005 £	25 November 2004 £
Fixed assets			
Tangible assets	5	6,339,937	6,424,622
Creditors: amounts falling due within one year	6	(1,156,814)	(1,159,999)
Net current liabilities		(1,156,814)	(1,159,999)
Total assets less current liabilities		5,183,123	5,264,623
Provisions for liabilities and charges			
Deferred taxation	4	(64,435)	(76,500)
		<u>5,118,688</u>	<u>5,188,123</u>
Capital and reserves			
Called up share capital	7	5,780,002	5,780,002
Profit and loss account	8	(661,314)	(591,879)
Shareholders' funds	9	<u>5,118,688</u>	<u>5,188,123</u>



J Hands

Director

Approved by the board on 28 March 2006

NORTON CRATHORNE (NO.2) LIMITED

Notes to the Accounts

for the period from 26 November 2004 to 24 November 2005

1 Accounting policies

Fundamental Accounting Concept

The accounts have been prepared on a going concern basis on the basis of continuing financial support from Hand Picked Hotels Limited, a company under common control.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax and represents the income receivable in respect of freehold properties.

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:

Freehold buildings core	50 years
Freehold buildings surface finishes and services	20 years
Fixtures and fittings	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 qualifies as a small company.

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

	2005	2004
	£	£
This is stated after charging/(crediting):		
Operating lease income	(3,500)	(3,500)
Depreciation of owned fixed assets	84,685	83,309

The auditors' remuneration for the period ended 24 November 2005 has been borne by another group company.

NORTON CRATHORNE (NO.2) LIMITED

Notes to the Accounts

for the period from 26 November 2004 to 24 November 2005

3 Staff costs	2005	2004
Average number of employees during the year	Number	Number
Administration	2	2

There were no staff costs for the period ended 24 November 2005 nor for the period ended 25 November 2004.

None of the directors received any remuneration for the period (2004: £nil).

4 Taxation	2005	2004
Current year charge	£	£
Corporation tax	-	-
Total current tax	-	-
Deferred taxation	(12,065)	(11,500)
Total tax	(12,065)	(11,500)

Factors affecting tax charge for the period	2005	2004
	£	£
Loss on ordinary activities before tax	(81,500)	(80,109)

Loss on ordinary activities multiplied by standard rate of corporation tax (30%)	(24,450)	(24,033)
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Explained by:

Expenses not deductible for corporation tax purposes	12,414	12,002
Capital allowances in excess of depreciation	(27,276)	(27,165)
Losses carried forward for future offset	39,312	39,196
Total current tax	-	-

Deferred tax	£
At 26 November 2004	(76,500)
Credited to profit and loss	12,065
At 24 November 2005	(64,435)

Deferred tax is analysed as follows:

Losses	203,308
Accelerated capital allowances	(267,743)
	(64,435)

There are trading losses carried forward of £678,000 (2004 £547,000) available for offset against future trading profits.

NORTON CRATHORNE (NO.2) LIMITED

Notes to the Accounts

for the period from 26 November 2004 to 24 November 2005

5 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 26 November 2004	5,875,034	1,082,604	6,957,638
At 24 November 2005	5,875,034	1,082,604	6,957,638
Depreciation			
At 26 November 2004	147,050	385,966	533,016
Charge for the period	41,381	43,304	84,685
At 24 November 2005	188,431	429,270	617,701
Net book value			
At 24 November 2005	5,686,603	653,334	6,339,937
At 25 November 2004	5,727,984	696,638	6,424,622

Included in freehold land and buildings is freehold land of £1,167,451 (2004: £1,167,451) which is not depreciated.

6 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to subsidiary undertakings	833,558	837,058
Amounts owed to related company	323,256	322,941
	<u>1,156,814</u>	<u>1,159,999</u>

The recipient of the amount owed to a related company has confirmed that it is neither their intention nor expectation to seek repayment of any of this amount in the foreseeable future.

7 Share capital

	2005 No	2004 No	2005 £	2004 £
Authorised:				
Ordinary shares of £1 each	7,500,000	7,500,000	7,500,000	7,500,000
Allotted, issued and fully paid:				
Ordinary shares of £1 each	5,780,002	5,780,002	<u>5,780,002</u>	<u>5,780,002</u>

NORTON CRATHORNE (NO.2) LIMITED

Notes to the Accounts

for the period from 26 November 2004 to 24 November 2005

8 Profit and loss account	2005	2004
	£	£
At 26 November 2004	(591,879)	(523,270)
Retained loss	(69,435)	(68,609)
	<hr/>	<hr/>
At 24 November 2005	(661,314)	(591,879)

9 Reconciliation of movement in shareholders' funds	2005	2004
	£	£
At 26 November 2004	5,188,123	5,256,732
Loss for the financial period	(69,435)	(68,609)
	<hr/>	<hr/>
At 24 November 2005	5,118,688	5,188,123

10 Related party disclosures

Amounts due to related companies comprise amounts payable to Hand Picked Hotels Limited, a company which is under common control. The amount of £323,256 (2004: £322,941) represents £321,911 of funds received from Hand Picked Hotels Limited to fund costs associated with the acquisition of the company by the group and £1,345 of company secretarial fees paid by Hand Picked Hotels Limited on behalf of the company.

11 Ultimate Parent Company

The company's immediate and ultimate parent undertaking is Bestmexico Limited, which is registered in England and Wales. The results of the company for the period ended 24th November 2005 will not be consolidated in the financial statements of Bestmexico Limited as Bestmexico Limited has taken advantage of the exemption available in section 248 of the Companies Act 1985. The financial statements of Bestmexico 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.