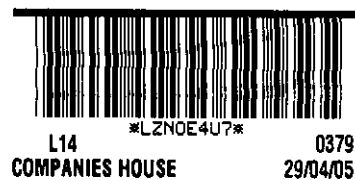


Registered number  
3819484

WY (MOLLINGTON) LIMITED

Report and Accounts

25 November 2004



**WY (MOLLINGTON) LIMITED**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Company information	1
Directors' report	2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6

**WY (MOLLINGTON) 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**

3819484

## **WY (MOLLINGTON) LIMITED**

### **Directors' Report**

The directors present their report and accounts for the 52 weeks ended 25 November 2004.

#### **Principal activities**

The company's principal activity during the period continued to be the operation of the Mollington Banastre 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 25 November 2004.

#### **Directors**

The directors who served during the period under review were:

R.C. Felton

J. Hands

The directors holding office at 25 November 2004 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 27 November 2003 or 25 November 2004, 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

## **WY (MOLLINGTON) LIMITED**

### **Independent auditors' report to the members of WY (MOLLINGTON) LIMITED**

We have audited the accounts of Wy (Mollington) Limited for the period ended 25 November 2004 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 25 November 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

PKF  
Registered auditors

London

27 April 2005

**WY (MOLLINGTON) LIMITED****Profit and Loss Account****for the period from 28 November 2003 to 25 November 2004**

	Notes	52 weeks ended 25 November 2004 £	52 weeks ended 27 November 2003 £
<b>Turnover</b>		2,488,098	2,459,278
Cost of sales		(726,300)	(745,976)
<b>Gross profit</b>		<u>1,761,798</u>	<u>1,713,302</u>
Administrative expenses		(1,686,282)	(1,569,856)
<b>Operating profit</b>	2	<u>75,516</u>	<u>143,446</u>
Provision against investments	6	(67,747)	(295,075)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>7,769</u>	<u>(151,629)</u>
Tax on profit/(loss) on ordinary activities	4	(15,000)	(16,119)
<b>Retained loss for the period</b>	11	<u>(7,231)</u>	<u>(167,748)</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.

**WY (MOLLINGTON) LIMITED**  
**Balance Sheet**  
**as at 25 November 2004**

	Notes	25 November 2004 £	27 November 2003 £
<b>Fixed assets</b>			
Tangible assets	5	565,108	440,856
Investments	6	4,977,241	5,044,988
		<u>5,542,349</u>	<u>5,485,844</u>
<b>Current assets</b>			
Stocks	7	18,327	22,572
Debtors	8	1,201,995	1,158,995
Cash at bank and in hand		75,521	29,098
		<u>1,295,843</u>	<u>1,210,665</u>
<b>Creditors: amounts falling due within one year</b>	9	(400,796)	(266,882)
<b>Net current assets</b>		<u>895,047</u>	<u>943,783</u>
<b>Total assets less current liabilities</b>		<u>6,437,396</u>	<u>6,429,627</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	4	(38,500)	(23,500)
		<u>6,398,896</u>	<u>6,406,127</u>
<b>Capital and reserves</b>			
Called up share capital	10	6,830,711	6,830,711
Profit and loss account	11	(431,815)	(424,584)
<b>Shareholders' funds</b>	12	<u>6,398,896</u>	<u>6,406,127</u>



J Hands

Director

Approved by the board on ~~20~~ April 2005

# **WY (MOLLINGTON) LIMITED**

## **Notes to the Accounts**

**for the period from 28 November 2003 to 25 November 2004**

### **1 Accounting policies**

#### ***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, all of which is generated through the operation of the hotel.

#### ***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:

Plant and machinery

4 to 25 years

#### ***Stocks***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### ***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.

#### ***Leasing***

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### ***Consolidated accounts***

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. The accounts therefore present information about the company as an individual undertaking and not about its group.

#### ***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.



**WY (MOLLINGTON) LIMITED****Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004**

<b>2 Operating profit</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting):		
Depreciation of owned fixed assets	45,335	28,865
Profit on disposal of tangible asset	-	(374)
Auditors' remuneration - audit fees	<u>2,600</u>	<u>2,600</u>

<b>3 Staff costs</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Wages and salaries	876,632	866,627
Social security costs	64,094	61,063
Other pension costs	<u>10,847</u>	<u>9,319</u>
	<u>951,573</u>	<u>937,009</u>

None of the directors received any remuneration for the period (2003: £nil).

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Hotel operations	53	54
Administration	<u>6</u>	<u>6</u>
	<u>59</u>	<u>60</u>

<b>4 Taxation</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Current year charge</b>		
Corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	15,000	16,119
Total tax	<u>15,000</u>	<u>16,119</u>

**WY (MOLLINGTON) LIMITED****Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004****4 Taxation (continued)**

	2004 £	2003 £
<b>Factors affecting tax charge for the period</b>		
Profit/(loss) on ordinary activities before tax	7,769	(151,629)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax (30%)	2,331	(45,489)
<i>Explained by:</i>		
Expenses not deductible for tax purposes	22,921	89,352
Capital allowances for period in excess of depreciation	(14,143)	(16,203)
Group relief claimed	(11,109)	(27,660)
<b>Total current tax</b>	-	-
<b>Deferred tax</b>	£	
At 28 November 2003	(23,500)	
Charged to profit and loss	(15,000)	
At 25 November 2004	(38,500)	
Deferred tax is analysed as follows:		
Accelerated capital allowances	(38,500)	
	(38,500)	

**5 Tangible fixed assets**

	Plant and machinery £	Assets in course of construction £	Total £
<b>Cost</b>			
At 28 November 2003	500,119	-	500,119
Additions	158,566	11,021	169,587
Transfers	11,021	(11,021)	-
At 25 November 2004	669,706	-	669,706
<b>Depreciation</b>			
At 28 November 2003	59,263	-	59,263
Charge for the 52 weeks	45,335	-	45,335
At 25 November 2004	104,598	-	104,598
<b>Net book value</b>			
At 25 November 2004	565,108	-	565,108
At 27 November 2003	440,856	-	440,856

**WY (MOLLINGTON) LIMITED****Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004****6 Investments**

	<b>Other investments £</b>
<b>Cost</b>	
At 28 November 2003 and 25 November 2004	6,756,997
<b>Provision</b>	
At 28 November 2003	1,712,009
Increase in year	<u>67,747</u>
At 25 November 2004	<u>1,779,756</u>
<b>Net book value</b>	
At 25 November 2004	4,977,241
At 28 November 2003	<u>5,044,988</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Shares held Class</b>	<b>%</b>
The Mollington Banastre Hotel Limited	England and Wales	Ordinary	100

	<b>2004 £</b>	<b>2003 £</b>
Aggregate capital and reserves	4,977,241	5,044,988
Loss for the period	<u>(67,747)</u>	<u>(273,267)</u>

<b>7 Stocks</b>	<b>2004 £</b>	<b>2003 £</b>
Goods for resale	<u>18,327</u>	<u>22,572</u>

<b>8 Debtors</b>	<b>2004 £</b>	<b>2003 £</b>
Trade debtors	89,951	95,935
Amounts due from immediate parent undertaking	1,084,681	1,038,447
Amounts due from fellow subsidiary undertakings	733	-
Other debtors	11,644	14,444
Prepayments and accrued income	<u>14,986</u>	<u>10,169</u>
	<u>1,201,995</u>	<u>1,158,995</u>

**WY (MOLLINGTON) LIMITED****Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004**

<b>9 Creditors: amounts falling due within one year</b>			<b>2004</b>	<b>2003</b>
			<b>£</b>	<b>£</b>
Payments in advance			71,401	60,214
Trade creditors			119,033	69,654
Amounts due to fellow subsidiary undertakings			5,372	436
Amounts due to group undertaking			7,470	-
Other taxes and social security costs			75,217	71,639
Other creditors			63,715	11,149
Accruals and deferred income			58,588	53,790
			<u>400,796</u>	<u>266,882</u>
<b>10 Share capital</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Authorised:				
Ordinary shares of £1 each	20,000,000	20,000,000	20,000,000	20,000,000
Allotted, issued and fully paid:				
Ordinary shares of £1 each	6,830,711	6,830,711	<u>6,830,711</u>	<u>6,830,711</u>
<b>11 Profit and loss account</b>			<b>2004</b>	<b>2003</b>
			<b>£</b>	<b>£</b>
At 28 November 2003			(424,584)	(256,836)
Retained loss			(7,231)	(167,748)
			<u>(431,815)</u>	<u>(424,584)</u>
<b>12 Reconciliation of movement in shareholders' funds</b>			<b>2004</b>	<b>2003</b>
			<b>£</b>	<b>£</b>
At 28 November 2003			6,406,127	6,573,875
Loss for the financial 52 weeks			(7,231)	(167,748)
			<u>6,398,896</u>	<u>6,406,127</u>

## **WY (MOLLINGTON) LIMITED**

### **Notes to the Accounts**

**for the period from 28 November 2003 to 25 November 2004**

#### **13 Capital commitments**

The amounts contracted for but not provided for in the accounts amount to £27,727 (2003 £Nil). This amount relates to the refurbishment of the hotel property.

#### **14 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 25 November 2004 was £54,057,276 (2003: £61,250,000).

#### **15 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 Hand Picked Hotels 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. 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.