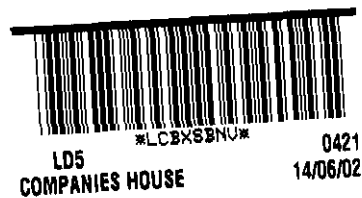


Registered number
3819491

WY (ETTINGTON PARK) LIMITED

Report and Accounts

29 November 2001



WY (ETTINGTON PARK) LIMITED
Report and accounts
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WY (ETTINGTON PARK) LIMITED
Company Information

Directors

R C Felton
J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London
SE1 7EU

Registered office

The Old Library
The Drive
Sevenoaks
Kent
TN13 3AB

Registered number

3819491

WY (ETTINGTON PARK) LIMITED

Directors' Report

The directors present their report and accounts for the 52 weeks ended 29 November 2001.

Principal activities

The company's principal activity during the period continued to be that of the operation 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 29 November 2001.

Directors

The directors who served during the period under review were:

R.C. Felton		
M.T. Fitzgerald	- resigned	06.12.2001
J. Hands	- appointed	08.01.2002

The directors holding office at 29 November 2001 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at date of appointment or 29 November 2001.

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 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 Ernst & Young LLP as auditors will be put to the forthcoming Annual General Meeting.

This report was approved by the board on 24 May 2002.



J Hands
Director

WY (ETTINGTON PARK) LIMITED

Independent auditors' report to the shareholders of WY (ETTINGTON PARK) LIMITED

We have audited the accounts of Wy (Ettington Park) Limited for the period ended 29 November 2001 which comprise profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes 1 to 14. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with United Kingdom applicable law and Accounting Standards.

It is our responsibility to form an independent opinion, based on our audit on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts 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 accounts, 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 29 November 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor

London

24 May 2002

WY (ETTINGTON PARK) LIMITED**Profit and Loss Account****for the period from 1 December 2000 to 29 November 2001**

	Notes	52 weeks ended 29 November 2001 £	Year ended 30 November 2000 £
Turnover - continuing operations		2,798,842	2,627,342
Cost of sales		(645,199)	(493,695)
Gross profit		<u>2,153,643</u>	<u>2,133,647</u>
Administrative expenses		(1,747,599)	(1,682,860)
Operating profit - continuing operations	2	<u>406,044</u>	<u>450,787</u>
Provision against investments	6	(2,381,307)	
(Loss)/profit on ordinary activities before taxation		<u>(1,975,263)</u>	<u>450,787</u>
Tax on (loss)/profit on ordinary activities	4	-	-
(Loss)/profit for the period		<u>(1,975,263)</u>	<u>450,787</u>
Retained (loss)/profit for the period	11	<u>(1,975,263)</u>	<u>450,787</u>

WY (ETTINGTON PARK) LIMITED

Statement of total recognised gains and losses

for the period from 1 December 2000 to 29 November 2001

	52 weeks ended 29 November 2001 £	Year ended 30 November 2000 £
Notes		
(Loss)/profit for the period	(1,975,263)	450,787
Total recognised gains and losses related to the period	<u>(1,975,263)</u>	<u>450,787</u>

WY (ETTINGTON PARK) LIMITED**Balance Sheet****as at 29 November 2001**

	Notes	29 November 2001 £	30 November 2000 £
Fixed assets			
Tangible assets	5	141,752	52,130
Investments	6	6,577,693	8,959,000
		<u>6,719,445</u>	<u>9,011,130</u>
Current assets			
Stocks	7	23,623	41,869
Debtors	8	822,334	455,504
Cash at bank and in hand		200,924	130,468
		<u>1,046,881</u>	<u>627,841</u>
Creditors: amounts falling due within one year	9	(575,698)	(473,080)
Net current assets		<u>471,183</u>	<u>154,761</u>
		<u>7,190,628</u>	<u>9,165,891</u>
Capital and reserves			
Called up share capital	10	8,913,601	8,913,601
Profit and loss account	11	(1,722,973)	252,290
Shareholders' funds:			
Equity		<u>7,190,628</u>	<u>9,165,891</u>
	12	<u>7,190,628</u>	<u>9,165,891</u>



J Hands

Director

Approved by the board on 24 May 2002

WY (ETTINGTON PARK) LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

1 Accounting policies

Accounting convention

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

Reclassification

During the period, the company has revised the allocation of certain costs between cost of sales and administration expenses in order that the classifications are more in line with industry norms. As such the prior year comparative figures for cost of sales and administrative expenses have been reclassified under the revised basis.

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:

Fixtures, fittings and equipment	4 to 25 years
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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

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

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 (ETTINGTON PARK) LIMITED**Notes to the Accounts****for the period from 1 December 2000 to 29 November 2001**

2 Operating profit	2001	2000
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	10,820	3,214
Other operating leases	1,542	6,270
Auditors' remuneration	5,000	5,000

3 Staff costs	2001	2000
	£	£
Wages and salaries	833,760	773,433
Social security costs	62,756	53,768
Other pension costs	4,310	-

900,826	827,201
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None of the directors received any remuneration for the period (2000: £nil).

Average number of employees during the year	Number	Number
Hotel operations	60	78

4 Taxation	2001	2000
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for period

No liability to UK corporation tax arose on ordinary activities for the 52 weeks ended 29 November 2001 nor for the year ended 30 November 2000 due to the availability of losses within the group.

WY (ETTINGTON PARK) LIMITED**Notes to the Accounts****for the period from 1 December 2000 to 29 November 2001****5 Tangible fixed assets**

	Fixtures, fittings and equipment £
Cost	
At 1 December 2000	55,344
Additions	100,442
At 29 November 2001	<u>155,786</u>
Depreciation	
At 1 December 2000	3,214
Charge for the 52 weeks	10,820
At 29 November 2001	<u>14,034</u>
Net book value	
At 29 November 2001	<u>141,752</u>
At 30 November 2000	<u>52,130</u>

6 Investments

	Subsidiary undertaking £
Cost	
At 1 December 2000	8,959,000
Provision against investment	(2,381,307)
At 29 November 2001	<u>6,577,693</u>

Subsidiary undertaking	2001 £	2000 £
Unlisted investments	<u>8,959,000</u>	<u>8,959,000</u>

WY (ETTINGTON PARK) LIMITED**Notes to the Accounts****for the period from 1 December 2000 to 29 November 2001**

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

Company	Country of registration or incorporation	Shares held Class	%
Ettington Park Group Limited	England and Wales	Ordinary	100

	2001	2000
	£	£
Aggregate capital and reserves	6,577,693	6,831,650
Loss for the period	<u>(253,957)</u>	<u>(290,292)</u>

7 Stocks	2001	2000
	£	£
Goods for resale	<u>23,623</u>	<u>41,869</u>

8 Debtors	2001	2000
	£	£
Trade debtors	179,671	266,708
Amounts due from immediate parent undertaking	596,897	156,749
Amounts due from fellow subsidiary undertakings	2,005	-
Other debtors	32,136	-
Prepayments and accrued income	<u>11,625</u>	<u>32,047</u>
	<u>822,334</u>	<u>455,504</u>

9 Creditors: amounts falling due within one year	2001	2000
	£	£
Payments in advance	120,714	83,114
Trade creditors	91,672	37,828
Amounts due to fellow subsidiary undertakings	243,895	243,895
Other taxes and social security costs	80,959	31,772
Other creditors	1,252	904
Accruals and deferred income	<u>37,206</u>	<u>75,567</u>
	<u>575,698</u>	<u>473,080</u>

WY (ETTINGTON PARK) LIMITED**Notes to the Accounts****for the period from 1 December 2000 to 29 November 2001**

10 Share capital	2001 No	2000 No	2001 £	2000 £
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	8,913,601	8,913,601	<u>8,913,601</u>	<u>8,913,601</u>

Movement in share capital

	2001 £	2000 £
At 1 December	8,913,601	1,791,800
Shares issued	-	7,121,801
At 29 November	<u>8,913,601</u>	<u>8,913,601</u>

11 Profit and loss account

	2001 £	2000 £
At 1 December	252,290	(198,497)
Retained (loss)/profit	(1,975,263)	450,787
At 29 November	<u>(1,722,973)</u>	<u>252,290</u>

12 Reconciliation of movement in shareholders' funds

	2001 £	2000 £
At 1 December	9,165,891	1,593,303
(Loss)/profit for the financial 52 weeks	(1,975,263)	450,787
Shares issued	-	7,121,801
At 29 November	<u>7,190,628</u>	<u>9,165,891</u>

13 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 29 November 2001 was £52,500,000 (2000: £52,500,000).

WY (ETTINGTON PARK) LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

14 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.