

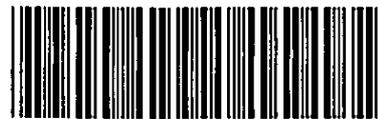
Registered number  
3819491

WY (ETTINGTON PARK) LIMITED

Report and Accounts

30 November 2006

THURSDAY



\*L5Q8SQ06\*  
LD7 31/05/2007 60  
COMPANIES HOUSE

**WY (ETTINGTON PARK) LIMITED**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Company information	1
Directors' report	2
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

**WY (ETTINGTON PARK) 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**

3819491

## **WY (ETTINGTON PARK) LIMITED**

### **Directors' Report**

The directors present their report and accounts for the period ended 30 November 2006

#### **Principal activities**

The company's principal activity during the period continued to be that of the operation of the Ettington Park Hotel

#### **Business review**

The hotel operated successfully within the upmarket country house hotel business and improved operating profitability during the year through a programme of

- asset refurbishment
- improvements to services and facilities

#### **Results**

The hotel turnover has increased by 8.2% to £3.22m and the operating profit has decreased by 5.9% to £0.44m. This increase in revenues has been achieved by most areas of the business.

The hotel is now well positioned for further growth, driven by investment that will deliver significant increases in sales and EBITDA. The ongoing improvement in brand perception together with the continued drive towards excellence in service provision will also contribute to future growth.

#### **Expansion for the future**

We are maintaining our investment in constantly upgrading and improving our existing bedroom stock.

#### **Operating risks**

The directors consider the following to be principal risks and uncertainties facing the group:

- economic recession,
- timely completion of development projects,
- changes to government regulations including legislation on employees, environmental and health and safety,
- natural disasters

The directors take a regular review of the company's exposure to these risks.

#### **Environment**

The hotel operates in a beautiful location and it is in our best interests to minimise the impact upon the environment, particularly by energy saving initiatives within the hotel.

#### **Personnel**

We clearly understand that our employees are the most valuable asset in the company. We continue to invest in training and skills development programmes. We intend to continue our philosophy and invest in our staff. The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

## **WY (ETTINGTON PARK) LIMITED**

### **Directors' Report (continued)**

#### **Financial instruments**

The company is exposed to the usual credit risk and cash flow movement involved with selling on credit and manages this through the company credit policy. The policy is to finance working capital through retained earnings and finance fixed assets through long term borrowings on fixed rates. The company has borrowings in sterling on fixed and floating rates with an interest rate swap in place, the profile of which is reviewed on a regular basis.

The counterparty to the majority of the company's financial instruments is its bankers, it is exposed to minimal credit and liquidity risks in respect of these instruments.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

#### **Dividends**

No dividends will be distributed for the period ended 30 November 2006.

#### **Directors**

The directors who served during the period under review were

R C Felton

J Hands

The directors holding office at 30 November 2006 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 24 November 2005 or 30 November 2006, except J Hands, who holds two shares.

#### **Statement of Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

**WY (ETTINGTON PARK) LIMITED**  
**Directors' Report (continued)**

**Provision of information to auditors**

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of that information

This report was approved by the board on 8 May 2007



J Hands  
Director

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

We have audited the accounts of Wy (Ettington Park) Limited for the period ended 30 November 2006 which comprise the profit and loss account, the balance sheet and the related notes. The 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 ('United Kingdom Generally Accepted Accounting Practice') 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

PKF (UK) LLP

PKF (UK) LLP  
Registered auditors

London, UK  
17 May 2007

**WY (ETTINGTON PARK) LIMITED****Profit and Loss Account****for the period from 25 November 2005 to 30 November 2006**

		Period ended 30 November 2006 £	Period ended 24 November 2005 £
<b>Turnover</b>		3,222,856	2,977,581
Cost of sales		(688,714)	(639,427)
<b>Gross profit</b>		<u>2,534,142</u>	<u>2,338,154</u>
Administrative expenses		(2,098,596)	(1,875,187)
<b>Operating profit</b>	2	<u>435,546</u>	<u>462,967</u>
Exceptional items			
Loss on the disposal of tangible fixed assets	3	(3,184)	-
		<u>432,362</u>	<u>462,967</u>
Provision against investments	7	(607,906)	(154,581)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(175,544)</u>	<u>308,386</u>
Tax on (loss)/profit on ordinary activities	5	3,000	(28,000)
<b>(Loss)/profit for the period</b>	12	<u>(172,544)</u>	<u>280,386</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)/profit for the above two periods

**WY (ETTINGTON PARK) LIMITED****Balance Sheet****as at 30 November 2006**

	Notes	30 November 2006 £	24 November 2005 £
<b>Fixed assets</b>			
Tangible assets	6	1,786,218	857,415
Investments	7	5,498,759	6,106,665
		<u>7,284,977</u>	<u>6,964,080</u>
<b>Current assets</b>			
Stocks	8	26,587	19,390
Debtors	9	1,803,225	2,256,538
Cash at bank and in hand		10,450	18,258
		<u>1,840,262</u>	<u>2,294,186</u>
<b>Creditors: amounts falling due within one year</b>	10	(697,432)	(654,915)
<b>Net current assets</b>		<u>1,142,830</u>	<u>1,639,271</u>
<b>Total assets less current liabilities</b>		<u>8,427,807</u>	<u>8,603,351</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	5	(50,500)	(53,500)
		<u>8,377,307</u>	<u>8,549,851</u>
<b>Capital and reserves</b>			
Called up share capital	11	8,913,601	8,913,601
Profit and loss account	12	(536,294)	(363,750)
<b>Shareholders' funds</b>	13	<u>8,377,307</u>	<u>8,549,851</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 May 2007



J Hands  
Director

## WY (ETTINGTON PARK) LIMITED

### Notes to the Accounts

for the period from 25 November 2005 to 30 November 2006

#### 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. It is recognised at the point at which goods and services are delivered to the customer.

##### *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 and fittings	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*

As required by Financial Reporting Standard 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which FRS19 specifies that deferred tax should not be recognised.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax balances are not discounted.

##### *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 25 November 2005 to 30 November 2006**

<b>2 Operating (loss)/profit</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Depreciation of owned fixed assets	165,105	50,047
Other operating leases	882	1,240
Auditors' remuneration - audit fees	2,385	2,340
Tax advice fees	-	-

The tax advice fees for the period ended 30 November 2006 have been borne by the parent company

<b>3 Exceptional items</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Loss on disposal of fixtures and fittings	(3,184)	-

<b>4 Staff costs</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	901,344	797,571
Social security costs	76,609	68,888
Other pension costs	8,086	5,404
Sub total	986,039	871,863
Agency staff	52,623	90,860
Total	1,038,662	962,723

None of the directors received any remuneration for the period (2005 £nil)

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Hotel operations	39	44
Administration	6	6
	45	50

<b>5 Taxation</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Current year charge</b>		
Corporation tax	-	-
Total current tax	-	-
<b>Deferred taxation</b>		
Current year	37,500	28,000
Adjustments in respect of prior years	(40,500)	-
Total tax	(3,000)	28,000

**WY (ETTINGTON PARK) LIMITED**  
**Notes to the Accounts**  
**for the period from 25 November 2005 to 30 November 2006**

**5 Taxation (continued)**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Factors affecting tax charge for the period</b>		
Profit on ordinary activities before tax	<u>432,362</u>	<u>462,967</u>
Profit on ordinary activities multiplied by standard rate of corporation tax (30%)	129,709	138,890
<i>Explained by</i>		
Expenses not deductible for tax purposes	72	-
Capital allowances in excess of depreciation	(37,303)	(29,128)
Group relief claimed	<u>(92,478)</u>	<u>(109,762)</u>
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>	<b>£</b>	
At 25 November 2005	(53,500)	
Prior year adjustment	40,500	
Charged to profit and loss in the period	<u>(37,500)</u>	
At 30 November 2006	<u>(50,500)</u>	
Deferred tax is analysed as follows		
Accelerated capital allowances	<u>(50,500)</u>	
	<u>(50,500)</u>	

**6 Tangible fixed assets**

	<b>Fixtures and fittings £</b>	<b>Assets in course of construction £</b>	<b>Total £</b>
<b>Cost</b>			
At 25 November 2005	976,515	5,000	981,515
Additions	1,103,092	-	1,103,092
Transfers	5,000	(5,000)	-
Disposals	<u>(11,200)</u>	<u>-</u>	<u>(11,200)</u>
At 30 November 2006	<u>2,073,407</u>	<u>-</u>	<u>2,073,407</u>
<b>Depreciation</b>			
At 25 November 2005	124,100	-	124,100
Charge for the period	165,105	-	165,105
On disposals	<u>(2,016)</u>	<u>-</u>	<u>(2,016)</u>
At 30 November 2006	<u>287,189</u>	<u>-</u>	<u>287,189</u>
<b>Net book value</b>			
At 30 November 2006	<u>1,786,218</u>	<u>-</u>	<u>1,786,218</u>
At 24 November 2005	<u>852,415</u>	<u>5,000</u>	<u>857,415</u>

**WY (ETTINGTON PARK) LIMITED**

**Notes to the Accounts**

**for the period from 25 November 2005 to 30 November 2006**

**7 Investments**

	<b>Other investments</b>
	<b>£</b>
<b>Cost</b>	
At 25 November 2005 and 30 November 2006	8,959,000
<b>Provision</b>	
At 25 November 2005	2,852,335
Increase in year	<u>607,906</u>
At 30 November 2006	<u>3,460,241</u>
<b>Net book value</b>	
At 30 November 2006	<u>5,498,759</u>
At 25 November 2005	<u>6,106,665</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>
Ettington Park Group Limited	England and Wales	Ordinary	100

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Aggregate capital and reserves	5,498,759	6,106,665
Loss for the period	<u>(107,906)</u>	<u>(154,581)</u>

**8 Stocks**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Goods for resale	<u>26,587</u>	<u>19,390</u>

**9 Debtors**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	173,062	144,417
Amounts due from immediate parent undertaking	1,577,706	2,061,339
Amounts due from fellow subsidiary undertakings	1,490	6,908
Other debtors	33,908	33,956
Prepayments and accrued income	<u>17,059</u>	<u>9,918</u>
	<u>1,803,225</u>	<u>2,256,538</u>

**WY (ETTINGTON PARK) LIMITED****Notes to the Accounts****for the period from 25 November 2005 to 30 November 2006**

<b>10 Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Payments in advance	146,519	194,552
Trade creditors	108,099	62,459
Amounts due to fellow subsidiary undertakings	244,276	243,970
Other taxes and social security costs	107,808	118,677
Other creditors	6,371	5,023
Accruals and deferred income	84,359	30,234
	<u>697,432</u>	<u>654,915</u>

<b>11 Share capital</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</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	8,913,601	8,913,601	<u>8,913,601</u>	<u>8,913,601</u>

<b>12 Profit and loss account</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 25 November 2005	(363,750)	(644,136)
(Loss)/profit for the period	(172,544)	280,386
	<u>(536,294)</u>	<u>(363,750)</u>

<b>13 Reconciliation of movement in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 25 November 2005	8,549,851	8,269,465
(Loss)/profit for the period	(172,544)	280,386
	<u>8,377,307</u>	<u>8,549,851</u>

**14 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	<b>Other</b>	<b>Other</b>
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating leases which expire within two to five years	<u>882</u>	<u>882</u>
	<u>882</u>	<u>882</u>

## **WY (ETTINGTON PARK) LIMITED**

### **Notes to the Accounts**

**for the period from 25 November 2005 to 30 November 2006**

#### **15 Contingent liability**

On 1 December 2005 the group paid off its bank loans and entered into a new facility. As part of this arrangement, the company has granted a new fixed and floating charge over the company and certain property and current assets. The amount owed by the Hand Picked Hotels group as at 30 November 2006 was £75,350,000 (2005 £50,541,367)

#### **16 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