

Registered number
3819491

WY (ETTINGTON PARK) LIMITED

Report and Accounts

29 November 2007

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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

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 29 November 2007

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 continued to operate successfully within the upmarket country house hotel business during the year through a programme of

- asset refurbishment
- improvements to services and facilities

Results

The hotel turnover increased by 0.3% to £3.22m and the operating profit has remained similar to the previous year at £0.41m. 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 29 November 2007 (2006 £Nil).

Directors

The directors who served during the period under review were

R C Felton

J Hands

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 *16* May 2008



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 29 November 2007 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 29 November 2007 and of its profit 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

23 May 2008

WY (ETTINGTON PARK) LIMITED**Profit and Loss Account****for the period from 1 December 2006 to 29 November 2007**

		Period ended 29 November 2007 £	Period ended 30 November 2006 £
	Notes		
Turnover		3,231,892	3,222,856
Cost of sales		(655,655)	(688,714)
Gross profit		<u>2,576,237</u>	<u>2,534,142</u>
Administrative expenses		(2,169,976)	(2,098,596)
Operating profit	2	<u>406,261</u>	<u>435,546</u>
Exceptional items			
Loss on the disposal of tangible fixed assets	3	-	(3,184)
		<u>406,261</u>	<u>432,362</u>
Provision against investments	7	6,604	(607,906)
Profit/(loss) on ordinary activities before taxation		<u>412,865</u>	<u>(175,544)</u>
Tax on profit/(loss) on ordinary activities	5	(35,500)	3,000
Profit/(loss) for the period	12	<u>377,365</u>	<u>(172,544)</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

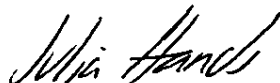
The company has no recognised gains or losses other than the profit/(loss) for the above two periods

WY (ETTINGTON PARK) LIMITED**Balance Sheet**

as at 29 November 2007

	Notes	29 November 2007 £	30 November 2006 £
Fixed assets			
Tangible assets	6	1,842,980	1,786,218
Investments	7	<u>5,505,363</u>	<u>5,498,759</u>
		7,348,343	7,284,977
Current assets			
Stocks	8	29,443	26,587
Debtors	9	2,131,228	1,803,225
Cash at bank and in hand		<u>7,485</u>	<u>10,450</u>
		2,168,156	1,840,262
Creditors: amounts falling due within one year	10	(675,827)	(697,432)
Net current assets		<u>1,492,329</u>	<u>1,142,830</u>
Total assets less current liabilities		<u>8,840,672</u>	<u>8,427,807</u>
Provisions for liabilities and charges			
Deferred taxation	5	(86,000)	(50,500)
		<u>8,754,672</u>	<u>8,377,307</u>
Capital and reserves			
Called up share capital	11	8,913,601	8,913,601
Profit and loss account	12	(158,929)	(536,294)
Shareholders' funds	13	<u>8,754,672</u>	<u>8,377,307</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2008



J Hands
Director

WY (ETTINGTON PARK) LIMITED
Notes to the Accounts
for the period from 1 December 2006 to 29 November 2007

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
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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

As required by Financial Reporting Standard 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing difference 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 1 December 2006 to 29 November 2007**

2 Operating profit/(loss)	2007	2006
	£	£
This is stated after charging		
Depreciation of owned fixed assets	192,972	165,105
Other operating leases	882	882
Auditors' remuneration - audit fees	2,600	2,385
Tax advice fees	-	-

The tax advice fees for the period ended 29 November 2007 have been borne by the parent company

3 Exceptional items	2007	2006
	£	£
Loss on disposal of fixtures and fittings	-	(3,184)

4 Staff costs	2007	2006
	£	£
Wages and salaries	940,635	901,344
Social security costs	82,308	76,609
Other pension costs	6,593	8,086
Sub total	1,029,536	986,039
Agency staff	63,814	52,623
Total	1,093,350	1,038,662

None of the directors received any remuneration for the period (2006 £nil)

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

5 Taxation	2007	2006
	£	£
Current year charge		
Corporation tax	-	-
Total current tax	-	-
Deferred taxation		
Current year	35,500	37,500
Adjustments in respect of prior years	-	(40,500)
Total tax	35,500	(3,000)

WY (ETTINGTON PARK) LIMITED**Notes to the Accounts****for the period from 1 December 2006 to 29 November 2007****5 Taxation (continued)**

	2007	2006
	£	£
Factors affecting tax charge for the period		
Profit/(loss) on ordinary activities before tax	<u>412,865</u>	<u>432,362</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax (30%)	123,860	129,709
<i>Explained by</i>		
Expenses not deductible for tax purposes	5,200	72
Capital allowances in excess of depreciation	(16,311)	(37,303)
Income not taxable for tax purposes	(13,684)	-
Group relief claimed	<u>(99,065)</u>	<u>(92,478)</u>
Total current tax	<u>-</u>	<u>-</u>
Deferred tax	£	
At 1 December 2006	(50,500)	
Charged to profit and loss in the period	(35,500)	
At 29 November 2007	<u>(86,000)</u>	
Deferred tax is analysed as follows		
Accelerated capital allowances	<u>(86,000)</u>	
	<u>(86,000)</u>	

At the period end there is a deferred tax liability arising on accelerated capital allowances of £86,000 (2006 £50,500)

6 Tangible fixed assets

	Fixtures and fittings	Total
	£	£
Cost		
At 1 December 2006	2,073,407	2,073,407
Additions	<u>249,734</u>	<u>249,734</u>
At 29 November 2007	<u>2,323,141</u>	<u>2,323,141</u>
Depreciation		
At 1 December 2006	287,189	287,189
Charge for the period	<u>192,972</u>	<u>192,972</u>
At 29 November 2007	<u>480,161</u>	<u>480,161</u>
Net book value		
At 29 November 2007	<u>1,842,980</u>	<u>1,842,980</u>
At 30 November 2006	<u>1,786,218</u>	<u>1,786,218</u>

WY (ETTINGTON PARK) LIMITED

Notes to the Accounts

for the period from 1 December 2006 to 29 November 2007

7 Investments

	Other investments £
Cost	
At 1 December 2006 and 29 November 2007	8,959,000
Provision	
At 1 December 2006	3,460,241
Increase in year	(6,604)
At 29 November 2007	<u>3,453,637</u>
Net book value	
At 29 November 2007	<u>5,505,363</u>
At 1 December 2006	<u>5,498,759</u>

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

	2007 £	2006 £
Aggregate capital and reserves	5,505,363	5,498,759
Profit/(loss) for the period	<u>6,604</u>	<u>(107,906)</u>

8 Stocks

	2007 £	2006 £
Goods for resale	<u>29,443</u>	<u>26,587</u>

9 Debtors

	2007 £	2006 £
Trade debtors	164,128	173,062
Amounts due from immediate parent undertaking	1,911,633	1,577,706
Amounts due from fellow subsidiary undertakings	2,477	1,490
Other debtors	40,575	33,908
Prepayments and accrued income	<u>12,415</u>	<u>17,059</u>
	<u>2,131,228</u>	<u>1,803,225</u>

WY (ETTINGTON PARK) LIMITED

Notes to the Accounts

for the period from 1 December 2006 to 29 November 2007

10 Creditors: amounts falling due within one year	2007	2006
	£	£
Payments in advance	143,868	146,519
Trade creditors	59,867	108,099
Amounts due to fellow subsidiary undertakings	244,091	244,276
Other taxes and social security costs	147,031	107,808
Other creditors	3,306	6,371
Accruals and deferred income	77,664	84,359
	<u>675,827</u>	<u>697,432</u>

11 Share capital	2007	2006	2007	2006
	No	No	£	£
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>

12 Profit and loss account	2007	2006
	£	£
At 1 December 2006	(536,294)	(363,750)
Profit/(loss) for the period	377,365	(172,544)
	<u>(158,929)</u>	<u>(536,294)</u>
At 29 November 2007		

13 Reconciliation of movement in shareholders' funds	2007	2006
	£	£
At 1 December 2006	8,377,307	8,549,851
Profit/(loss) for the period	377,365	(172,544)
	<u>8,754,672</u>	<u>8,377,307</u>
At 29 November 2007		

14 Other financial commitments

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

	Other	Other
	2007	2006
	£	£
Operating leases which expire within two to five years	<u>882</u>	<u>882</u>

WY (ETTINGTON PARK) LIMITED

Notes to the Accounts

for the period from 1 December 2006 to 29 November 2007

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 29 November 2007 was £88,350,000 (2006 £75,350,000).

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.