

Registered number
1786119

ETTINGTON PARK GROUP LIMITED

Report and Accounts

25 November 2004



ETTINGTON PARK GROUP LIMITED
Report and accounts
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ETTINGTON PARK GROUP 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

1786119

ETTINGTON PARK GROUP 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 that of the ownership and rental 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 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

ETTINGTON PARK GROUP LIMITED

Independent auditors' report to the members of ETTINGTON PARK GROUP LIMITED

We have audited the accounts of Ettington Park Group 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

ETTINGTON PARK GROUP 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 £
Administrative expenses		(85,081)	(85,081)
Operating loss	2	<u>(85,081)</u>	<u>(85,081)</u>
Loss on ordinary activities before taxation		<u>(85,081)</u>	<u>(85,081)</u>
Tax on loss on ordinary activities	4	-	(98,728)
Retained loss for the period	10	<u>(85,081)</u>	<u>(183,809)</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.

ETTINGTON PARK GROUP LIMITED
Balance Sheet
as at 25 November 2004

	Notes	25 November 2004 £	27 November 2003 £
Fixed assets			
Tangible assets	5	6,304,564	6,389,645
Current assets			
Debtors	6	243,895	243,895
Creditors: amounts falling due within one year	7	(287,213)	(287,213)
Net current liabilities		(43,318)	(43,318)
		<u>6,261,246</u>	<u>6,346,327</u>
Capital and reserves			
Called up share capital	8	2,063,433	2,063,433
Revaluation reserve	9	3,179,938	3,213,650
Profit and loss account	10	1,017,875	1,069,244
Shareholders' funds	11	<u>6,261,246</u>	<u>6,346,327</u>



J Hands
Director

Approved by the board on 20 April 2005

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 28 November 2003 to 25 November 2004

1 Accounting policies

Fundamental Accounting Concept

The accounts have been prepared on a going concern basis on the basis of continuing financial support from the immediate parent undertaking Hand Picked Hotels Limited.

Accounting convention

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

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the period of the lease
Plant and machinery	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 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.

2 Operating loss

	2004	2003
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	85,081	85,081

The auditors' remuneration for the period ended 25 November 2004 has been borne by another group company.

ETTINGTON PARK GROUP LIMITED**Notes to the Accounts****for the period from 28 November 2003 to 25 November 2004**

3 Staff costs	2004	2003
Average number of employees during the year	Number	Number
Administration	<u>2</u>	<u>2</u>

There were no staff costs for the period ended 25 November 2004 (2003: £nil).

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

4 Taxation	2004	2003
Current year charge	£	£
Corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	-	98,728
Total tax	<u>-</u>	<u>98,728</u>
Factors affecting tax charge for the period	2004	2003
	£	£
Loss on ordinary activities before tax	<u>(85,081)</u>	<u>(85,081)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax (30%)	(25,524)	(25,524)
<i>Explained by:</i>		
Expenses not deductible for tax purposes	18,797	-
Capital allowances for period in excess of depreciation	(39,592)	(26,597)
Group relief surrendered	<u>46,319</u>	<u>52,121</u>
Total current tax	<u>-</u>	<u>-</u>

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 28 November 2003 to 25 November 2004

5 Tangible fixed assets

	Long leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At 28 November 2003	6,516,235	560,628	7,076,863
At 25 November 2004	6,516,235	560,628	7,076,863
Depreciation			
At 28 November 2003	570,021	117,197	687,218
Charge for the 52 weeks	62,656	22,425	85,081
At 25 November 2004	632,677	139,622	772,299
Net book value			
At 25 November 2004	5,883,558	421,006	6,304,564
At 27 November 2003	5,946,214	443,431	6,389,645

Leasehold land and buildings are included at open market valuation at November 1999 by Weatherall Green & Smith Chartered Surveyors. It is not intended that the land and buildings will be subject to further periodic valuations.

Cumulative capitalised interest amounts to £16,253 (2003: £16,253).

If leasehold land and buildings had not been revalued they would have been included at the following historical cost:

	2004 £	2003 £
Cost	3,014,947	3,014,947
Aggregate depreciation	311,327	282,383

6 Debtors	2004 £	2003 £
Amounts due from immediate parent undertaking	243,895	243,895
7 Creditors: amounts falling due within one year	2004 £	2003 £
Amounts due to intermediate parent undertaking	237,213	237,213
Accruals and deferred income	50,000	50,000
	287,213	287,213

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 28 November 2003 to 25 November 2004

8 Share capital	2004 No	2003 No	2004 £	2003 £
Authorised:				
<i>Non-equity</i>				
Cumulative redeemable non-participating preference shares of £1 each	500,000	500,000	500,000	500,000
<i>Equity</i>				
'A' Ordinary shares of £1 each	4,000,000	4,000,000	4,000,000	4,000,000
'B' Ordinary shares of 75p each	666,666	666,666	500,000	500,000
			<u>5,000,000</u>	<u>5,000,000</u>
Allotted, issued and fully paid:				
<i>Non-equity</i>				
Cumulative redeemable non-participating preference shares of £1 each	500,000	500,000	500,000	500,000
<i>Equity</i>				
'A' Ordinary shares of £1 each	1,063,433	1,063,433	1,063,433	1,063,433
'B' Ordinary shares of 75p each	666,666	666,666	500,000	500,000
			<u>2,063,433</u>	<u>2,063,433</u>

The preference shares carry dividend rights at 10%. The holder of the preference shares has waived its right to the dividend in 2003 and 2004. The preference shares are redeemable at par at the option of either the company or the shareholder subject to certain conditions.

The preference shares are nonvoting, the A and B shares attract one vote per share held. On return of capital the assets of the company shall first be applied in repaying the preference shares, then the amounts paid up on ordinary shares then finally the balance among the A and B shareholders on the basis of £1 for each share held.

9 Revaluation reserve	2004 £	2003 £
At 28 November 2003	3,213,650	3,247,362
Transfers relating to revalued assets	(33,712)	(33,712)
	<u>3,179,938</u>	<u>3,213,650</u>
At 25 November 2004		
	<u>3,179,938</u>	<u>3,213,650</u>
10 Profit and loss account	2004 £	2003 £
At 28 November 2003	1,069,244	1,219,341
Retained loss	(85,081)	(183,809)
Transfers relating to revalued assets	33,712	33,712
	<u>1,017,875</u>	<u>1,069,244</u>
At 25 November 2004		
	<u>1,017,875</u>	<u>1,069,244</u>

ETTINGTON PARK GROUP LIMITED

Notes to the Accounts

for the period from 28 November 2003 to 25 November 2004

11 Reconciliation of movement in shareholders' funds

	2004 £	2003 £
At 28 November 2003	6,346,327	6,530,136
Loss for the financial 52 weeks	(85,081)	(183,809)
At 25 November 2004	<u>6,261,246</u>	<u>6,346,327</u>
Non-equity	500,000	500,000
Equity	<u>5,761,246</u>	<u>5,846,327</u>
	<u>6,261,246</u>	<u>6,346,327</u>

12 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).

13 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 Wy (Ettington Park) 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, which is registered in England and Wales. 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.