

**Report of the Director and
Financial Statements for the Year Ended 30 November 2000
for
ETTINGTON PARK GROUP LIMITED**

1786119



ETTINGTON PARK GROUP LIMITED

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ETTINGTON PARK GROUP LIMITED

**Company Information
for the Year Ended 30 November 2000**

DIRECTOR:

R C Felton

SECRETARY:

Jordans Company Secretaries Limited

REGISTERED OFFICE:

The Old Library
The Drive
Sevenoaks
Kent
TN13 3AB

REGISTERED NUMBER:

1786119

AUDITORS:

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

ETTINGTON PARK GROUP LIMITED

Report of the Director for the Year Ended 30 November 2000

The director presents his report with the financial statements of the company for the year ended 30 November 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the ownership and rental of the Ettington Park Hotel.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2000.

DIRECTORS

The directors during the year under review were:

R.C. Felton	- appointed 01.12.1999
M.T. Fitzgerald	- appointed 01.12.1999, resigned 06.12.2001
E.J. Blum	- resigned 01.12.1999
J. Bohlman	- resigned 01.12.1999
A. Raymond	- resigned 01.12.1999
R. Tutty	- resigned 01.12.1999
C.G. Upton	- resigned 01.12.1999
R.J.M. Bonella	- resigned 01.12.1999
J.D. Carreker	- resigned 01.12.1999

The directors holding office at 30th November 2000 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 30th November 2000.

AUDITORS

Ernst & Young LLP a limited liability partnership incorporated under the Limited Liability Partnership Act 2000, was appointed as company auditor during the period ended 30th November 2000. A resolution to reappoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

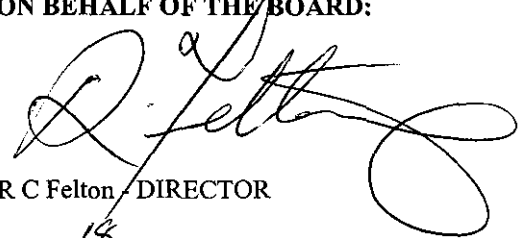
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements 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 of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

ON BEHALF OF THE BOARD:



R C Felton - DIRECTOR

Dated: 18 December 2001

ETTINGTON PARK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ETTINGTON PARK GROUP LIMITED

We have audited the company's financial statements for the year ended 30 November 2000 which comprise Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 14. These financial statements have been prepared on the basis of 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 financial statements in accordance with applicable United Kingdom law and accounting standards.

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 the 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 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 misstatements, 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 affairs of the company as at 30 November 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP

Registered Auditor

London

18 December 2001

ETTINGTON PARK GROUP LIMITED

Profit and Loss Account for the Year Ended 30 November 2000

		Year Ended 30.11.00		Restated Period 1.1.99 to 30.11.99	
	Notes	£	£	£	£
TURNOVER			-		930,468
Cost of sales			-		<u>6,888</u>
GROSS LOSS			-		923,580
Administrative expenses			<u>290,292</u>		<u>319,474</u>
OPERATING (LOSS)/PROFIT	3		(290,292)		604,106
Interest payable and similar charges	4		-		<u>570</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(290,292)		603,536
Tax on (loss)/profit on ordinary activities	5		-		-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(290,292)		603,536
Dividends	6		-		<u>50,000</u>
			(290,292)		553,536
Retained profit brought forward:					
As previously reported		1,564,109		1,003,685	
Prior year adjustments	7	<u>(6,888)</u>		-	
As restated			<u>1,557,221</u>		<u>1,003,685</u>
			1,266,929		1,557,221
Transfers relating to fixed assets			<u>186,602</u>		-
RETAINED PROFIT CARRIED FORWARD			<u><u>£1,453,531</u></u>		<u><u>£1,557,221</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

The notes form part of these financial statements

ETTINGTON PARK GROUP LIMITED

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 November 2000**

	Year Ended 30.11.00	Restated Period 1.1.99 to 30.11.99
	£	£
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(290,292)	603,536
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(290,292)	<u>£603,536</u>
Prior year adjustment	Note 7	
	<u>(6,888)</u>	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	<u>£(297,180)</u>	

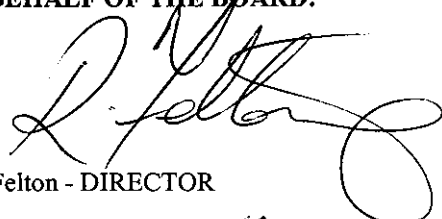
The notes form part of these financial statements

ETTINGTON PARK GROUP LIMITED

Balance Sheet 30 November 2000

		30.11.00	Restated 30.11.99
	Notes	£	£
FIXED ASSETS:			
Tangible assets	8	6,874,968	7,165,260
CURRENT ASSETS:			
Debtors	9	243,895	243,895
CREDITORS: Amounts falling due within one year	10	<u>287,213</u>	<u>287,213</u>
NET CURRENT LIABILITIES:		<u>(43,318)</u>	<u>(43,318)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£6,831,650</u>	<u>£7,121,942</u>
CAPITAL AND RESERVES:			
Called up share capital	11	2,063,433	2,063,433
Revaluation reserve	12	3,314,686	3,501,288
Profit and loss account		<u>1,453,531</u>	<u>1,557,221</u>
SHAREHOLDERS' FUNDS:	14	<u>£6,831,650</u>	<u>£7,121,942</u>

ON BEHALF OF THE BOARD:



R C Felton - DIRECTOR

Approved by the Board on 19 December 2001

The notes form part of these financial statements

ETTINGTON PARK GROUP LIMITED

Notes to the Financial Statements for the Year Ended 30 November 2000

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 intermediate parent undertaking, Hand Picked Hotels Limited.

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the hotel and in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales, excluding value added tax, all of which is generated within the United Kingdom in respect of the rental of the hotel.

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.

Tangible fixed assets

The company has adopted the transitional rules of Financial Reporting Standard 15 "Tangible fixed assets" in respect of the Leasehold property which permits the retention of the carrying values at the previously revalued amount. These properties will not be subject to further revaluations. The adoption of the standard has also resulted in the separation of assets into different components. These reclassifications are shown in the notes to the accounts. The impact on the reported profit for both the current and the previous year is immaterial.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold Property	- over the term of the lease
Fixed Plant	- 4% on cost
Fixtures and Fittings	- 15% on cost
Computer Equipment	- 25% on cost

Change in accounting policy – stocks

In the previous period the company adopted a policy of holding the value of certain base stock items such as linen and crockery within the period end balance. The directors now consider that a policy of expensing these items as incurred would give a fairer presentation of the results and financial position of the company. Accordingly it has been necessary to restate the figure for 1999 on the basis of the new policy. This has involved the write off of the opening base stock value in the prior period.

The resulting adjustment to the pre tax profit for the period ended 30th November 1999 is a charge of £6,888

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 director, there is reasonable probability that the liability will not arise in the foreseeable future.

Related party transactions

The company has taken advantage of the exemption in FRS 8 in connection with the disclosure of transactions with other group undertakings.

ETTINGTON PARK GROUP LIMITED

Notes to the Financial Statements for the Year Ended 30 November 2000

2. STAFF COSTS

There were no staff costs for the year ended 30 November 2000 nor for the period ended 30 November 1999.

The average monthly number of employees during the year was as follows:

	Year Ended 30.11.00	Period 1.1.99 to 30.11.99
Management	<u>2</u>	<u>5</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (1999 - operating profit) is stated after charging:

	Year Ended 30.11.00 £	Period 1.1.99 to 30.11.99 £
Depreciation - owned assets	<u>290,292</u>	<u>267,895</u>
Directors' emoluments	<u>-</u>	<u>-</u>

ETTINGTON PARK GROUP LIMITED

Notes to the Financial Statements for the Year Ended 30 November 2000

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 30.11.00 £	Period 1.1.99 to 30.11.99 £
Leasing	<u>-</u>	<u>570</u>

5. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 30 November 2000 nor for the period ended 30 November 1999 due to the availability of losses within the group.

6. DIVIDENDS

	Year Ended 30.11.00 £	Period 1.1.99 to 30.11.99 £
Equity shares: 500,000 Cumulative redeemable non- participating preference shares of £1 each		
Preference Shares	<u>-</u>	<u>50,000</u>
	<u>-</u>	<u>50,000</u>

7. PRIOR YEAR ADJUSTMENTS

The prior year adjustment has arisen on the expensing of base stock.

8. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixed Plant £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION:					
At 1 December 1999	7,076,863	-	1,689,752	148,562	8,915,177
Reclassifications	<u>(560,628)</u>	<u>560,628</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 November 2000	<u>6,516,235</u>	<u>560,628</u>	<u>1,689,752</u>	<u>148,562</u>	<u>8,915,177</u>
DEPRECIATION:					
At 1 December 1999	319,597	27,497	1,290,598	112,225	1,749,917
Charge for year	62,556	22,425	168,975	36,336	290,292
Reclassifications	<u>(27,497)</u>	<u>27,497</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 November 2000	<u>382,153</u>	<u>49,922</u>	<u>1,459,573</u>	<u>148,561</u>	<u>2,040,209</u>
NET BOOK VALUE:					
At 30 November 2000	<u>6,134,082</u>	<u>510,706</u>	<u>230,179</u>	<u>1</u>	<u>6,874,968</u>
At 30 November 1999	<u>6,757,266</u>	<u>(27,497)</u>	<u>399,154</u>	<u>36,337</u>	<u>7,165,260</u>

ETTINGTON PARK GROUP LIMITED

Notes to the Financial Statements for the Year Ended 30 November 2000

8. TANGIBLE FIXED ASSETS - continued

Cumulative capitalised interest amounts to £16,253 (1999 £16,253).

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

	30.11.00 £	30.11.99 £
Cost	<u>3,014,947</u>	<u>3,575,575</u>
Aggregate depreciation	<u>195,551</u>	<u>194,104</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.00 £	30.11.99 £
Amounts due from group undertakings	<u>243,895</u>	<u>243,895</u>
	<u>243,895</u>	<u>243,895</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.00 £	30.11.99 £
Other creditors	87,178	-
Amounts due to group undertakings	150,035	-
Amounts due to group undertakings	-	237,213
Preference Dividends payable	<u>50,000</u>	<u>50,000</u>
	<u>287,213</u>	<u>287,213</u>

ETTINGTON PARK GROUP LIMITED

Notes to the Financial Statements for the Year Ended 30 November 2000

11. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	30.11.00 £	30.11.99 £
500,000	Cumulative redeemable non-participating preference	£1	500,000	500,000
4,000,000	'A' Ordinary	£1	4,000,000	4,000,000
666,666	'B' Ordinary	75p	<u>500,000</u>	<u>500,000</u>
			<u>5,000,000</u>	<u>5,000,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	30.11.00 £	30.11.99 £
500,000	Cumulative redeemable non-participating preference	£1	500,000	500,000
1,063,433	'A' Ordinary	£1	1,063,433	1,063,433
666,666	'B' Ordinary	75p	<u>500,000</u>	<u>500,000</u>
			<u>2,063,433</u>	<u>2,063,433</u>

The preference shares carry dividend rights at 10%. Such dividends have been accrued in accordance with Financial Reporting Standard No.4. The preference shares are redeemable at par at the option of either the company or the shareholder subject to certain conditions.

12. REVALUATION RESERVE

	30.11.00 £	30.11.99 £
Revaluation Reserve		
Brought Forward	3,501,288	3,501,288
Transfers relating to revalued assets	<u>(186,602)</u>	<u>-</u>
Carried Forward	<u>3,314,686</u>	<u>3,501,288</u>

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 undertaking is Wy (Ettington Park) Limited, which is 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 in due course and will be obtainable from the Registrar of Companies, Companies House, Crown Way, Cardiff.

ETTINGTON PARK GROUP LIMITED

Notes to the Financial Statements for the Year Ended 30 November 2000

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.11.00	30.11.99
	£	£
(Loss)/Profit for the financial year	(290,292)	603,536
Dividends	<u>-</u>	<u>(50,000)</u>
	(290,292)	553,536
Share Premium written off	<u>-</u>	<u>(87,177)</u>
Net (reduction)/addition to shareholders' funds	(290,292)	473,247
Opening shareholders' funds (originally £7,128,830 before prior year adjustment of £(6,888))	<u>7,121,942</u>	<u>6,648,695</u>
Closing shareholders' funds	<u>6,831,650</u>	<u>7,121,942</u>
Equity interests	<u>6,831,650</u>	<u>7,121,942</u>