

Registered number
3753206

BESTMEXICO LIMITED

Report and Accounts

27 November 2003



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BESTMEXICO LIMITED
Report and accounts
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BESTMEXICO 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

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BESTMEXICO LIMITED

Directors' Report

The directors present their report and accounts for the period ended 27 November 2003.

Principal activities

The company's principal activity during the period continued to be that of investment in companies that hold interests in hotels.

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 27 November 2003.

Directors

The directors who served during the period under review were:

R.C. Felton

J. Hands

The directors holding office at 27 November 2003 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 28 November 2002 or 27 November 2003, 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

BESTMEXICO LIMITED

Independent auditors' report to the members of BESTMEXICO LIMITED

We have audited the accounts of Bestmexico Limited for the period ended 27 November 2003 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 27 November 2003 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

PKF

Registered auditors

London

~~April 2004~~

13 May 2004

BESTMEXICO LIMITED**Profit and Loss Account****for the period from 29 November 2002 to 27 November 2003**

		52 weeks ended 27 November 2003 £	52 weeks ended 28 November 2002 £
Administrative expenses		-	(453)
Operating loss		-	(453)
Loss on ordinary activities before taxation		-	(453)
Tax on loss on ordinary activities	3	-	-
Loss for the period		-	(453)
Retained loss for the period	9	-	(453)

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.

BESTMEXICO LIMITED
Balance Sheet
as at 27 November 2003

	Notes	27 November 2003 £	28 November 2002 £
Fixed assets			
Investments	4	9,150,000	9,150,000
Creditors: amounts falling due within one year	5	(8,851)	(8,851)
Net current liabilities		<u>(8,851)</u>	<u>(8,851)</u>
Total assets less current liabilities		9,141,149	9,141,149
Creditors: amounts falling due after more than one year	6	(6,405,000)	(6,405,000)
		<u>2,736,149</u>	<u>2,736,149</u>
Capital and reserves			
Called up share capital	8	2,745,002	2,745,002
Profit and loss account	9	(8,853)	(8,853)
Shareholders' funds:	10	<u>2,736,149</u>	<u>2,736,149</u>



J Hands
Director

Approved by the board on 28 April 2004

BESTMEXICO LIMITED

Notes to the Accounts

for the period from 29 November 2002 to 27 November 2003

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 holder of the unsecured loan stock, who has confirmed that it is their current intention and expectation not to seek repayment of all or part of the unsecured loan stock for the foreseeable future.

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

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.

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.

2 Staff costs

	2003	2002
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 27 November 2003 nor for the period ended 28 November 2002.

None of the directors received any remuneration for the period (2002: £nil).

BESTMEXICO LIMITED**Notes to the Accounts****for the period from 29 November 2002 to 27 November 2003****3 Taxation**

	2003 £	2002 £
Current year charge		
Corporation tax	-	-
Total current tax	-	-
Deferred taxation	-	-
Total tax	-	-
Factors affecting tax charge for the period	2003 £	2002 £
Profit on ordinary activities before tax	-	(453)
Profit on ordinary activities multiplied by standard rate of corporation tax (30%)	-	(136)
<i>Explained by:</i>		
Tax losses carried forward	-	136
Total current tax	-	-

4 Investments

	Subsidiary investments £
Cost	
At 29 November 2002	9,150,000
At 27 November 2003	9,150,000

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

Company	Country of registration or incorporation	Shares held Class	%
Norton Crathorne (No.1) Limited	England and Wales	Ordinary	100
		2003 £	2002 £
Aggregate capital and reserves		2,579,194	2,962,708
Loss for the period		(383,514)	(134,768)

BESTMEXICO LIMITED**Notes to the Accounts****for the period from 29 November 2002 to 27 November 2003****4 Investments (continued)**

Company	Country of registration or incorporation	Shares held Class	%
Norton Crathorne (No.2) Limited	England and Wales	Ordinary	100

	2003 £	2002 £
Aggregate capital and reserves	5,256,732	5,313,865
Loss for the period	<u>(57,133)</u>	<u>(51,526)</u>

5 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	445	445
Other creditors	<u>8,406</u>	<u>8,406</u>
	<u>8,851</u>	<u>8,851</u>

6 Creditors: amounts falling due after one year

	2003 £	2002 £
Unsecured loan stock (Note 7)	<u>6,405,000</u>	<u>6,405,000</u>

7 Loans

	2003 £	2002 £
Unsecured loan stock	<u>6,405,000</u>	<u>6,405,000</u>
Analysis of maturity of debt:		
Between one and two years	<u>6,405,000</u>	<u>6,405,000</u>
	<u>6,405,000</u>	<u>6,405,000</u>

The unsecured loan stock is non-interest bearing and was due for repayment at par on 31 December 2002, upon the stockholder giving notice to that effect to the company. The holder of the unsecured loan stock has confirmed that it is their current intention and expectation not to seek repayment of all or part of the unsecured loan stock for the foreseeable future.

BESTMEXICO LIMITED**Notes to the Accounts****for the period from 29 November 2002 to 27 November 2003**

8	Share capital	2003	2002	2003	2002
		No	No	£	£
	Authorised:				
	Authorised ordinary shares of £1 each	10,000,000	10,000,000	10,000,000	10,000,000
	Allotted, issued and fully paid:				
	Authorised ordinary shares of £1 each	2,745,002	2,745,002	<u>2,745,002</u>	<u>2,745,002</u>
9	Profit and loss account			2003	2002
				£	£
	At 29 November 2002			(8,853)	(8,400)
	Retained loss			-	(453)
	At 27 November 2003			<u>(8,853)</u>	<u>(8,853)</u>
10	Reconciliation of movement in shareholders' funds			2003	2002
				£	£
	At 29 November 2002			2,736,149	2,736,602
	Loss for the financial period			-	(453)
	At 27 November 2003			<u>2,736,149</u>	<u>2,736,149</u>

11 Related parties

Other creditors comprise £8,406 payable to the company's sole shareholder (2002: £8,406).

The unsecured loan stock of £6,405,000 represents amounts owed to Mrs J Hands, a director of the company. The terms and conditions attached to the unsecured loan stock are described in note 6.

The controlling party is Mr G Hands.