

Registered number
3753206

BESTMEXICO LIMITED

Report and Accounts

29 November 2001



BESTMEXICO LIMITED
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6

BESTMEXICO LIMITED

Company Information

Directors

R C Felton

J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

Ernst & Young LLP

Becket House

1 Lambeth Palace Road

London

SE1 7EU

Registered office

The Old Library

The Drive

Sevenoaks

Kent

TN13 3AB

Registered number

3753206

BESTMEXICO LIMITED

Directors' Report

The directors present their report and accounts for the period ended 29 November 2001.

Principal activities

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

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 29 November 2001.

Directors

The directors who served during the period under review were:

R.C. Felton		
M.T. Fitzgerald	- resigned	06.12.2001
J. Hands	- appointed	08.01.2002

The directors holding office at 29 November 2001 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 29 November 2001.

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:

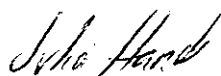
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 Ernst & Young LLP as auditors will be put to the forthcoming Annual General Meeting.

This report was approved by the board on 24 May 2002.



J Hands
Director

BESTMEXICO LIMITED

Independent auditors' report to the shareholders of BESTMEXICO LIMITED

We have audited the accounts of Bestmexico Limited for the 52 weeks ended 29 November 2001 which comprise profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes 1 to 9. These accounts have been prepared under the historical cost convention and 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 accounts in accordance with United Kingdom applicable law and Accounting Standards.

It is our responsibility to form an independent opinion, based on our audit on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts 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 accounts, 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 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 29 November 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor

London

24 May 2002

BESTMEXICO LIMITED**Profit and Loss Account****for the period from 1 December 2000 to 29 November 2001**

	Notes	52 weeks ended 29 November 2001 £	Year ended 30 November 2000 £
Operating profit		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit for the period		-	-
Retained profit for the period	7	-	-

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 for the above two periods.

BESTMEXICO LIMITED
Balance Sheet
as at 29 November 2001

	Notes	29 November 2001 £	30 November 2000 £
Fixed assets			
Investments	3	9,150,000	9,150,000
Current assets			
Cash at bank and in hand		8	8
Creditors: amounts falling due within one year	4	(6,413,406)	(6,413,406)
Net current liabilities		(6,413,398)	(6,413,398)
		<u>2,736,602</u>	<u>2,736,602</u>
Capital and reserves			
Called up share capital	6	2,745,002	2,745,002
Profit and loss account	7	(8,400)	(8,400)
Shareholders' funds:			
Equity		<u>2,736,602</u>	<u>2,736,602</u>
	8	<u>2,736,602</u>	<u>2,736,602</u>

J Hands

J Hands

Director

Approved by the board on 24 May 2002

BESTMEXICO LIMITED

Notes to the Accounts

for the period from 1 December 2000 to 29 November 2001

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

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

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

Average number of employees during the year

Management

2001 Number	2000 Number
2	2

There were no staff costs for the period ended 29 November 2001 nor for the period ended 30 November 2000.

None of the directors received any remuneration for the period (2000: £nil).

BESTMEXICO LIMITED**Notes to the Accounts****for the period from 1 December 2000 to 29 November 2001****3 Investments**

	Subsidiary undertakings £
Cost	
At 1 December 2000	9,150,000
At 29 November 2001	<u>9,150,000</u>

Subsidiary undertakings	2001 £	2000 £
Unlisted investments	<u>9,150,000</u>	<u>9,150,000</u>

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
		2001 £	2000 £
Aggregate capital and reserves		3,770,062	3,352,285
Profit/(Loss) for the period		<u>417,777</u>	<u>(138,751)</u>

Company	Country of registration or incorporation	Shares held Class	%
Norton Crathorne (No.2) Limited	England and Wales	Ordinary	100
		2001 £	2000 £
Aggregate capital and reserves		5,477,393	5,596,401
Loss for the period		<u>(119,008)</u>	<u>(119,769)</u>

BESTMEXICO LIMITED**Notes to the Accounts****for the period from 1 December 2000 to 29 November 2001**

4 Creditors: amounts falling due within one year	2001	2000
	£	£
Unsecured loan stock (Note 5)	6,405,000	6,405,000
Other creditors	8,406	8,406
	<u>6,413,406</u>	<u>6,413,406</u>

5 Loans	2001	2000
	£	£
Amounts falling due within one year or on demand:		
Unsecured loan stock	<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.

6 Share capital	2001	2000	2001	2000
	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>

7 Profit and loss account	2001	2000
	£	£
At 1 December	(8,400)	(8,400)
At 29 November	<u>(8,400)</u>	<u>(8,400)</u>

8 Reconciliation of movement in shareholders' funds	2001	2000
	£	£
At 1 December	2,736,602	2,736,602
At 29 November	<u>2,736,602</u>	<u>2,736,602</u>

9 Related parties

Other creditors comprise £8,406 payable to the company's sole shareholder (2000: £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 5.