

**Report of the Director and
Financial Statements for the Year Ended 30 November 2000
for
WY (L'HORIZON) LIMITED**

3819481



WY (L'HORIZON) LIMITED

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for the Year Ended 30 November 2000**

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WY (L'HORIZON) 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: 3819481

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

WY (L'HORIZON) 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 investment in companies in the hotel business.

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 who served during the period 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
J.D.Carreker	- resigned 01.12.1999
R.Tutty	- resigned 01.12.1999
C.G.Upton	- 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 member of 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 year to 30th November 2000. A resolution to reappoint Ernst & Young LLP as company auditors will be put forward to the forthcoming Annual General Meeting.

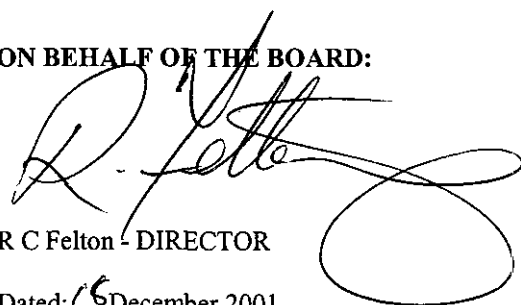
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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: 6th December 2001

WY (L'HORIZON) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WY (L'HORIZON) 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 10. 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 result 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

WY (L'HORIZON) LIMITED

**Profit and Loss Account
for the Year Ended 30 November 2000**

		<u>Year Ended 30.11.00</u>	<u>Period 30.7.99 to 30.11.99</u>
	Notes	£	£
TURNOVER		-	-
OPERATING PROFIT	3	-	-
Interest payable and similar charges	4	<u>-</u>	<u>228,649</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(228,649)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		-	(228,649)
Deficit brought forward		<u>(228,649)</u>	<u>-</u>
DEFICIT CARRIED FORWARD		<u>£(228,649)</u>	<u>£(228,649)</u>

TOTAL RECOGNISED GAINS AND LOSSES

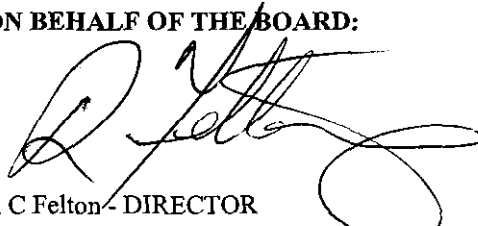
The company has no recognised gains or losses other than the loss for the previous period.

WY (L'HORIZON) LIMITED

Balance Sheet
30 November 2000

		30.11.00		30.11.99	
	Notes	£	£	£	£
FIXED ASSETS:					
Investments	6		13,583,989		13,583,989
CREDITORS: Amounts falling due within one year	7	<u>1,022</u>		<u>8,484,849</u>	
NET CURRENT LIABILITIES:			<u>(1,022)</u>		<u>(8,484,849)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£13,582,967</u>		<u>£5,099,140</u>
CAPITAL AND RESERVES:					
Called up share capital	8		13,811,616		5,327,789
Profit and loss account			<u>(228,649)</u>		<u>(228,649)</u>
SHAREHOLDERS' FUNDS:	10		<u>£13,582,967</u>		<u>£5,099,140</u>

ON BEHALF OF THE BOARD:


R C Felton - DIRECTOR

Approved by the Board on 18 December 2001

WY (L'HORIZON) 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 immediate parent undertaking Hand Picked Hotels Limited

Accounting convention

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

The company did not trade in the year ended 30 November 2000,

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.

Related party transactions

The Company has taken advantage of the exemption in FRS8 in connection with the disclosure of transactions with other group undertakings.

Consolidated accounts

The company has taken advantage of the exemption available in section 248 of the Companies Act 1985 requiring the preparation of group accounts. The accounts present information about the company as an individual entity and not its group.

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 30.7.99 to 30.11.99
Management	<u>2</u>	<u>4</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 30.11.00 £	Period 30.7.99 to 30.11.99 £
Directors' emoluments	<u>-</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 30.11.00 £	Period 30.7.99 to 30.11.99 £
Interest payable to group companies	<u>-</u>	<u>228,649</u>
	<u>-</u>	<u>228,649</u>

WY (L'HORIZON) LIMITED

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

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. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 December 1999		
and 30 November 2000		<u>13,583,989</u>
NET BOOK VALUE:		
At 30 November 2000		<u><u>13,583,989</u></u>
At 30 November 1999		<u><u>13,583,989</u></u>
	30.11.00	30.11.99
	£	£
Unlisted investments	<u><u>13,583,989</u></u>	<u><u>13,583,989</u></u>

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

Wy (L'Horizon) Management Limited
Country of incorporation: England
Nature of business: Non-trading

	%		
Class of shares:	holding		
Ordinary	100.00		
		30.11.00	30.11.99
		£	£
Aggregate capital and reserves		<u><u>1,000</u></u>	<u><u>1,000</u></u>

Hotel L'Horizon Limited
Country of incorporation: Jersey
Nature of business: Hotel Rental

	%		
Class of shares:	holding		
Ordinary	100.00		
			30.11.99
			£
Aggregate capital and reserves			8,041,274
Profit for the year/period			<u><u>996,417</u></u>

WY (L'HORIZON) LIMITED

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

6. FIXED ASSET INVESTMENTS - continued

L'Horizon Hotel (Jersey) Limited

Country of incorporation: Jersey

Nature of business: Hotelier

Class of shares:	%
Ordinary	holding 100.00

	30.11.99
	£
Aggregate capital and reserves	(275,925)
Profit for the year/period	<u>140,195</u>

L'Horizon Management (Jersey) Limited

Country of incorporation: Jersey

Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 100.00

	30.11.99
	£
Aggregate capital and reserves	86,488
Profit for the year/period	<u>102,635</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.00	30.11.99
	£	£
Amounts due to group undertakings	1,022	8,439,124
Social security & other taxes	-	45,725
	<u>1,022</u>	<u>8,484,849</u>

8. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal	30.11.00
		value:	£
20,000,000	Ordinary	£1	20,000,000
(30.11.99 - 5,327,789)			5,327,789

Allotted, issued and fully paid:			
Number:	Class:	Nominal	30.11.00
		value:	£
13,811,616	Ordinary	£1	13,811,616
(30.11.99 - 5,327,789)			5,327,789

The following shares were allotted and fully paid for cash at par during the year:

8,483,827 Ordinary shares of £1 each

WY (L'HORIZON) LIMITED

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

8. CALLED UP SHARE CAPITAL - continued

During the year the authorised share capital of the company was increased by £14,672,311 by the creation of 14,672,311 ordinary shares of £1 each.

9. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Benfica Limited, which is registered in the Isle of Man. The company's immediate parent undertaking is Hand Picked Hotels 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. 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.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.11.00	30.11.99
	£	£
Loss for the financial year	-	(228,649)
Shares issued	<u>8,483,827</u>	<u>5,327,789</u>
Net addition to shareholders' funds	8,483,827	5,099,140
Opening shareholders' funds	<u>5,099,140</u>	<u>-</u>
Closing shareholders' funds	<u>13,582,967</u>	<u>5,099,140</u>
 Equity interests	 <u>13,582,967</u>	 <u>5,099,140</u>