

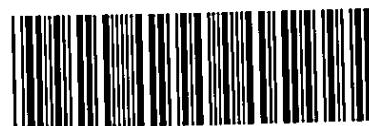
Registered number
3819484

EARLYSERVICES LIMITED
(formerly Wy (Mollington) Limited)

Report and Accounts

30 November 2006

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EARLYSERVICES LIMITED
(formerly Wy (Mollington) Limited)
Report and accounts
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EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)
Company Information

Directors

R C Felton

J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

PKF (UK) LLP

Farringdon Place

20 Farringdon Road

London, UK

EC1M 3AP

Registered office

The Old Library

The Drive

Sevenoaks

Kent

TN13 3AB

Registered number

3819484

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)

Directors' Report

The directors present their report and accounts for the period ended 30 November 2006

Principal activities

The company's principal activity continued to be that of the operation of the Mollington Banastre Hotel until 4th July 2006 when the company's assets were sold. The company changed its name from Wy (Mollington) Limited on 18th July 2006.

Review of business and future developments

The results for the period and financial position of the company are as shown in the annexed financial statements. The company has now ceased trading.

Dividends

No dividends will be distributed for the period ended 30 November 2006.

Directors

The directors who served during the period under review were

R C Felton

J Hands

The directors holding office at 30 November 2006 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 24 November 2005 or 30 November 2006, except J Hands, who holds two shares.

Statement of Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to 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 these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)
Directors' Report (continued)

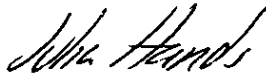
Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on 8 May 2007



J Hands
Director

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)

Independent auditors' report

to the members of EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)

We have audited the accounts of Earlyservices Limited for the period ended 30 November 2006 which comprise the profit and loss account, the balance sheet and the related notes. The 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 ('United Kingdom Generally Accepted Accounting Practice') 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

PKF (UK) LLP

PKF (UK) LLP
Registered auditors

London, UK
17 May 2007

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)
Profit and Loss Account
for the period from 25 November 2005 to 30 November 2006

	Notes	Period ended 30 November 2006 £	Period ended 24 November 2005 £
Turnover		1,485,379	2,623,876
Cost of sales		(451,833)	(760,032)
Gross profit		<u>1,033,546</u>	<u>1,863,844</u>
Administrative expenses		(1,077,691)	(1,733,887)
Operating (loss)/profit	2	<u>(44,145)</u>	<u>129,957</u>
Exceptional items			
Loss on the disposal of tangible fixed assets	3	(177,701)	-
		<u>(221,846)</u>	<u>129,957</u>
Interest receivable		-	3,149
Provision against investments	7	-	(91,786)
(Loss)/profit on ordinary activities before taxation		<u>(221,846)</u>	<u>41,320</u>
Tax on (loss)/profit on ordinary activities	5	43,500	(5,000)
(Loss)/profit for the period	12	<u>(178,346)</u>	<u>36,320</u>

Discontinued operations

The fixed assets have been sold during the period and the above activities have been discontinued

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the (loss)/profit for the above two periods

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)**Balance Sheet****as at 30 November 2006**

	Notes	30 November 2006 £	24 November 2005 £
Fixed assets			
Tangible assets	6	-	732,204
Investments	7	4,885,455	4,885,455
		<u>4,885,455</u>	<u>5,617,659</u>
Current assets			
Stocks	8	-	20,656
Debtors	9	1,388,817	1,154,065
Cash at bank and in hand		1,933	6,165
		<u>1,390,750</u>	<u>1,180,886</u>
Creditors: amounts falling due within one year	10	(19,335)	(319,829)
Net current assets		<u>1,371,415</u>	<u>861,057</u>
Total assets less current liabilities		<u>6,256,870</u>	<u>6,478,716</u>
Provisions for liabilities and charges			
Deferred taxation	5	-	(43,500)
		<u>6,256,870</u>	<u>6,435,216</u>
Capital and reserves			
Called up share capital	11	6,830,711	6,830,711
Profit and loss account	12	(573,841)	(395,495)
Shareholders' funds	13	<u>6,256,870</u>	<u>6,435,216</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 May 2007



J Hands
Director

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)
Notes to the Accounts
for the period from 25 November 2005 to 30 November 2006

1 Accounting policies

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax, all of which is generated through the operation of the hotel. It is recognised at the point at which goods and services are delivered to the customer

Depreciation

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

Fixtures and fittings	4 to 25 years
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Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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

As required by Financial Reporting Standard 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing difference between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which FRS19 specifies that deferred tax should not be recognised

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax balances are not discounted

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

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)
Notes to the Accounts
for the period from 25 November 2005 to 30 November 2006

2 Operating (loss)/profit	2006	2005
	£	£
This is stated after charging		
Depreciation of owned fixed assets	51,582	67,094
Auditors' remuneration - audit fees	-	2,340
Tax advice fees	-	-

The auditors' remuneration of £2,385 for the period ended 30 November 2006 (2005 £2,340) and any tax advice fees for the period have been borne by the parent company

3 Exceptional items	2006	2005
	£	£
Loss on disposal of fixtures and fittings	(177,701)	-

The company's assets were sold on 4th July 2006

4 Staff costs	2006	2005
	£	£
Wages and salaries	552,748	902,480
Social security costs	41,232	64,973
Other pension costs	9,555	12,977
Sub total	603,535	980,430
Agency staff	12,551	13,536
Total	616,086	993,966

None of the directors received any remuneration for the period (2005 £nil)

Average number of employees during the year	Number	Number
Hotel operations	52	52
Administration	6	6
	58	58

There are two employees at the period end, being the directors of the company

5 Taxation	2006	2005
	£	£
Current year charge		
Corporation tax	-	-
Total current tax	-	-
Deferred taxation	(43,500)	5,000
Total tax	(43,500)	5,000

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)
Notes to the Accounts
for the period from 25 November 2005 to 30 November 2006

5 Taxation (continued)

	2006 £	2005 £
Factors affecting tax charge for the period		
(Loss)/profit on ordinary activities before tax	(221,846)	133,106
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax (30%)	(66,554)	39,932
<i>Explained by</i>		
Expenses not deductible for corporation tax purposes	11,010	1,218
Capital allowances in excess of depreciation	20,100	(7,600)
Group relief claimed	35,444	(33,550)
Total current tax	-	-
Deferred tax	£	
At 25 November 2005	(43,500)	
Credited to profit and loss in the period	43,500	
At 30 November 2006	-	

6 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 25 November 2005	903,896
Additions	198,617
Disposals	(1,102,513)
At 30 November 2006	-
Depreciation	
At 25 November 2005	171,692
Charge for the period	51,582
On disposals	(223,274)
At 30 November 2006	-
Net book value	
At 30 November 2006	-
At 24 November 2005	732,204

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)
Notes to the Accounts
for the period from 25 November 2005 to 30 November 2006

7 Investments

	Other investments £
Cost	
At 25 November 2005 and 30 November 2006	6,756,997
Provision	
At 25 November 2005	1,871,542
At 30 November 2006	<u>1,871,542</u>
Net book value	
At 30 November 2006	4,885,455
At 25 November 2005	<u>4,885,455</u>

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

Company	Country of registration or incorporation	Shares held Class	%
Doubleitem Limited (formerly The Mollington Banastre Hotel Limited)	England and Wales	Ordinary	100

	2006 £	2005 £
Aggregate capital and reserves	5,609,684	4,885,455
Loss for the period	<u>724,229</u>	<u>(91,786)</u>

8 Stocks

	2006 £	2005 £
Goods for resale	<u>-</u>	<u>20,656</u>

9 Debtors

	2006 £	2005 £
Trade debtors	-	129,779
Amounts due from immediate parent undertaking	1,388,817	994,297
Other debtors	-	10,863
Prepayments and accrued income	-	19,126
	<u>1,388,817</u>	<u>1,154,065</u>

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)
Notes to the Accounts
for the period from 25 November 2005 to 30 November 2006

10 Creditors: amounts falling due within one year			2006	2005
			£	£
Payments in advance			-	100,428
Trade creditors			(525)	66,524
Amounts due to fellow subsidiary undertakings			7,470	126
Amounts due to group undertaking			-	7,470
Other taxes and social security costs			(571)	87,466
Other creditors			12,961	6,801
Accruals and deferred income			-	51,014
			<u>19,335</u>	<u>319,829</u>
11 Share capital	2006	2005	2006	2005
	No	No	£	£
Authorised				
Ordinary shares of £1 each	20,000,000	20,000,000	20,000,000	20,000,000
Allotted, issued and fully paid				
Ordinary shares of £1 each	6,830,711	6,830,711	<u>6,830,711</u>	<u>6,830,711</u>
12 Profit and loss account			2006	2005
			£	£
At 25 November 2005			(395,495)	(431,815)
(Loss)/profit for the period			(178,346)	36,320
			<u>(573,841)</u>	<u>(395,495)</u>
At 30 November 2006				
13 Reconciliation of movement in shareholders' funds			2006	2005
			£	£
At 25 November 2005			6,435,216	6,398,896
(Loss)/profit for the period			(178,346)	36,320
			<u>6,256,870</u>	<u>6,435,216</u>
At 30 November 2006				

EARLYSERVICES LIMITED (formerly Wy (Mollington) Limited)

Notes to the Accounts

for the period from 25 November 2005 to 30 November 2006

14 Contingent liability

On 1 December 2005 the group paid off its bank loans and entered into a new facility. As part of this arrangement, the company has granted a new fixed and floating charge over the company and certain property and current assets. The amount owed by the Hand Picked Hotels group as at 30 November 2006 was £75,350,000 (2005 £50,541,367).

15 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 Hand Picked Hotels 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. 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.