

COMPANY NO. 1021421

GRANTS HOTEL LIMITED
ABBREVIATED REPORT AND ACCOUNTS
YEAR ENDED
30TH JUNE 1996

AUDITORS
CLOUGH & COMPANY
CHARTFORD HOUSE
54, LITTLE HORTON LANE
BRADFORD
WEST YORKSHIRE
BD5 OBS

TEL: (01274) 735724
FAX: (01274) 370764



AUDITORS' REPORT TO
GRANTS HOTEL LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 8 together with the financial statements of Grants Hotel Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30th June 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30th June 1996 and the abbreviated accounts on pages 3 to 8 have been properly prepared in accordance with that Schedule.

Other information

On 29th April 1997 we reported, as auditors of Grants Hotel Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30th June 1996 and our audit report was as follows:-

/Continued

AUDITORS' REPORT TO
GRANTS HOTEL LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
OF THE COMPANIES ACT 1985
(CONTINUED)

"We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion


We conducted our audit in accordance with 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 30th June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Chartford House,
54, Little Horton Lane,
BRADFORD, BD5 0BS.


CLOUGH & COMPANY
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
29TH APRIL 1997

GRANTS HOTEL LIMITED**COMPANY NO. 1021421
ABBREVIATED BALANCE SHEET**

as at 30th JUNE

	Note	1996	1995
FIXED ASSETS			
Intangible assets	2	1000	2000
Tangible assets	3	1482466	1485660
		<u>1483466</u>	<u>1487660</u>
CURRENT ASSETS			
Stocks		10779	9695
Debtors		84495	221982
Cash in hand and at bank		14922	735
		<u>110196</u>	<u>232412</u>
CREDITORS - amounts falling due within one year	4	<u>180073</u>	<u>273538</u>
NET CURRENT LIABILITIES		(69877)	(41126)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1413589</u>	<u>1446534</u>
CREDITORS - amounts falling due after more than one year	4	(793422)	(858500)
PROVISIONS FOR LIABILITIES AND CHARGES		-	-
NET ASSETS		<u>£620167</u>	<u>£588034</u>
CAPITAL AND RESERVES			
Called up share capital	5	1000	1000
Revaluation reserve		403686	403686
Profit and loss account		<u>215481</u>	<u>183348</u>
EQUITY SHAREHOLDERS' FUNDS		<u>£620167</u>	<u>£588034</u>

The accompanying notes form part of these abbreviated accounts.

The directors have taken advantage of the exemptions conferred on small companies by the Companies Act 1985, Schedule 8, Part III, Section A. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the exemptions.

Approved by the board on 28th April 1997
and signed on its behalf by

H.S. WOOD

P.J. GREEN
DIRECTORS

GRANTS HOTEL LIMITED

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1996

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards.

The accounting policies, for dealing with items judged material or critical, in stating the results for the year and the financial position of the company, are:-

a) BASIS OF ACCOUNTING

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of certain fixed assets, and include the results of the activities described in the directors report, all of which are continuing.

b) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation or at valuation. All assets, except land and buildings, are depreciated on a reducing balance basis at the following rates:

Motor vehicles	- 25% per annum
Fixtures and fittings	- 15% per annum

Land and buildings

It is the company's practice to maintain freehold and leasehold property in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly the directors consider that the lives of these assets are so long and residual values, based on the prices prevailing at the time of acquisition or subsequent revaluation, are so high that depreciation is calculated as being nil. Any permanent diminution in the value of such properties will be charged to the profit and loss account as appropriate.

Assets shown at valuation are valued annually by the directors and periodically by independent firms of chartered surveyors.

c) GOODWILL

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate value of its separable net assets. It is being written off in equal annual instalments over its estimated economic life of five years.

d) STOCKS

Stocks are valued at the lower of cost and net realisable value.

e) DEFERRED TAXATION

Provision is made for deferred taxation, using the liability method, in respect of material timing differences not expected to continue in the future.

f) PENSION FUNDING

The company operates a defined contribution pension scheme for certain employees. The pension cost represents contributions payable by the company of £10,000 (1995: £Nil) all of which is included in accruals at the year end.

GRANTS HOTEL LIMITED

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

2. INTANGIBLE FIXED ASSETS

Goodwill

COST

At 1st July 1995 and 30th June 1996

£5000

AMORTISATION

At 1st July 1995

3000

Provided during the year

1000

At 30th June 1996

£4000

NET BOOK VALUE - 1996

£1000

NET BOOK VALUE - 1995

£2000

3. TANGIBLE FIXED ASSETS

	Freehold Property	Long Leasehold Property	Fixtures and Fittings	Motor Vehicles	Total
COST OR VALUATION					
At 1st July 1995	751723	648277	113907	6380	1520287
Additions during the year	-	-	10298	-	10298
At 30th June 1996	751723	648277	124205	6380	£1530585
DEPRECIATION					
At 1st July 1995	-	-	32904	1723	34627
Charge for the year	-	-	12452	1040	13492
At 30th June 1996	-	-	45356	2763	£48119
NET BOOK VALUE - 1996	751723	648277	78849	3617	£1482466
NET BOOK VALUE - 1995	751723	648277	81003	4657	£1485660

The net book value of fixtures and fittings include assets held under hire purchase contracts amounting to £Nil (1995: £22,795). Depreciation charged in the year on those assets amounts to £Nil (1995: £4,023).

GRANTS HOTEL LIMITED

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

3. TANGIBLE FIXED ASSETS (continued)

The net book value of properties comprises:

	1996	1995
Freehold	751723	751723
Long leasehold	648277	648277
	<u>£1400000</u>	<u>£1400000</u>

The amount of revalued properties as determined according to the historical cost accounting is:

	Freehold		Leasehold	
	1996	1995	1996	1995
Cost	<u>£534966</u>	<u>£534966</u>	<u>£461348</u>	<u>£461348</u>

If the properties were sold at their valuation, a tax liability of approximately £100,000 would arise.

The properties were revalued by the directors having received advice from chartered surveyors in June 1995.

4. CREDITORS

Secured creditors include:

- a) Bank overdraft

Included in creditors falling due within one year is a bank overdraft of £Nil (1995: £34,164).

The bank overdraft was secured by a legal charge over the company's freehold and leasehold property (released 28th November 1995).

GRANTS HOTEL LIMITED

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

4. CREDITORS (CONTINUED)

b) Loans	1996	1995
Wholly repayable within five years:		
Other loans	6500	25000
Not wholly repayable within five years:		
Loans from connected undertakings	786922	833500
	<u>£793422</u>	<u>£858500</u>
Amounts repayable within five years other than by instalments	6500	25000
Amounts repayable after five years other than by instalments	786922	833500
	<u>£793422</u>	<u>£858500</u>

The loan from connected undertakings and other loans are interest free.

c) Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:	1996	1995
Amounts payable:		
within one year	-	3385
Less: finance charges allocated to future periods	-	436
	<u>£ -</u>	<u>£2949</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations	<u>£ -</u>	<u>£2949</u>

Finance leases and hire purchase contracts were secured on the assets to which they related.

GRANTS HOTEL LIMITED

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

5. SHARE CAPITAL

**Authorised, Issued
and Fully Paid
1996 and 1995**

Ordinary shares of £1 each

£1000

6. INFORMATION REGARDING DIRECTORS

A director, Mr. H.S. Wood, has an interest in the following loans to the company by virtue of his shareholdings. The loans are repayable after more than five years and free of interest.

H.S. Wood (Textiles) Limited

£343290

Regina (Bradford) Limited

£64564

Mr. H.S. Wood also has an interest in the following transaction with H.S. Wood (Textiles) Limited:

Management charges payable

£60132

7. CONTINGENT LIABILITIES

The company is party to certain banking guarantees. The maximum liability which could have arisen under such guarantees at 30th June 1996 was £20,694.