

Brookes Hotels Limited

Directors' report and financial statements

52 weeks ended 26 September 1999
Registered number 1494471



Director's report and financial statements

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Director's report

The director presents the annual report and the audited financial statements for the 52 weeks ended 26 September 1999.

Principal activities

The Company operated as a catering company. Effective from 28 September 1998 the trade and all assets and liabilities were transferred to Wheelers Restaurants Limited and on that day the company ceased to trade.

Trading results

There was no trade in the period (*period ended 27 September 1998 : loss £15,000*).

Dividend

The Directors do not recommend the payment of a dividend for the year (*year ended 27 September 1998 : £Nil*).

Directors

The Directors of the Company during the period were as follows:

Forte (UK) Limited	resigned 30 March 1999
Granada Entertainments Limited	appointed 30 March 1999

Director's Interests

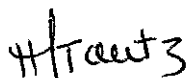
Granada Entertainments Limited and Brookes Hotels Limited are both in the same group and are wholly owned subsidiaries of Granada Group plc.

Granada Entertainments Limited does not have any interests in the issued share capital of the company.

Elective resolutions

The Company has passed Elective Resolutions to dispense with the laying of the Annual Report and Accounts before the shareholders in General Meeting, the appointment of auditors annually and the holding of Annual General Meetings, pursuant to Sections 252, 386 and 386A respectively of the Companies Act 1985.

By order of the Board


Forte Nominees Limited
Secretary

27/6/00
Registered Office:
Stornoway House
13 Cleveland Row
London
SW1A 1GG

Statement of directors' responsibilities

Company law requires the directors 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditor's report to the members of Brookes Hotels Limited

We have audited the financial statements on pages 4 to 11.

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 affairs of the company as at 26 September 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

6 July 2000

Profit and loss account
for the 52 weeks ended 26 September 1999

	<i>Note</i>	52 weeks ended 26 September 1999 £'000	52 weeks ended 27 September 1998 £'000
Turnover	1-2	-	376
Operating costs	3	-	(391)
Operating (loss)		-	(15)
(Loss) on ordinary activities before taxation		-	(15)
Tax on (loss) on ordinary activities	6	-	3
Retained (loss)		-	(12)

The company has no recognised gains or losses in either period other than those reflected in the above profit and loss account.

There is no difference between the reported result in either period and those that would be reported under the historical cost convention.

The company ceased to trade effective from 28 September 1998.

Balance sheet
at 26 September 1999

	Note	26 September 1999		27 September 1998	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7		-		103
Current assets					
Stocks	8	-		6	
Debtors	9	-		17	
				<u>23</u>	
Creditors: amounts falling due within one year	10	(936)		(1,062)	
				<u></u>	
Net current liabilities			(936)		(1,039)
			<u></u>		<u></u>
Net liabilities			(936)		(936)
			=====		=====
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account	12		(1,936)		(1,936)
			<u></u>		<u></u>
Total shareholders' funds: equity			(936)		(936)
			=====		=====

These financial statements were approved by the board of directors on 27/6/00 and were signed on its behalf by:



For and on behalf of Granada Entertainments Limited

Notes

(forming part of the financial statements)

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, as modified by the revaluation of certain properties, and on the going concern basis on the grounds of the continued financial support of the ultimate holding company.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirements to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A consolidated cash flow statement is included in the financial statements of the ultimate holding company.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Fixed assets and depreciation

No depreciation is provided on properties on leases with twenty years or more to run at the balance sheet date or on integral fixed plant. It is the Company's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly the Directors consider that the lives of these assets and residual values (based on prices prevailing at the time of acquisition or subsequent valuation) are such that their depreciation is insignificant. All leasehold properties held for less than twenty years are amortised over the unexpired term.

Depreciation is provided on all other assets on a straight line basis over ten to fifteen years for plant and machinery, four to ten years for furniture and equipment and up to five years for information technology software and hardware.

Stocks

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

Operating leases

Rentals under operating leases are charged to the profit and loss account as incurred.

Notes (continued)

Deferred taxation

Provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the financial statements to the extent that the liability will be payable in the foreseeable future.

Pension cost

The expected cost of pensions in respect of the Group's defined benefit pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the schemes. Variations from the regular cost are spread over the remaining service lives of current employees in the schemes. The pension cost is assessed in accordance with the advice of qualified actuaries and accounted for in accordance with Statement of Standard Accounting Practice No.24.

2 Segment information

Turnover is attributable to the following geographical regions:

	52 weeks ended 26 September 1999 £'000	52 weeks ended 27 September 1998 £'000
United Kingdom	-	376
	=====	=====

3 (Loss) on ordinary activities before taxation

	52 weeks ended 26 September 1999 £'000	52 weeks ended 27 September 1998 £'000
(Loss) on ordinary activities before taxation is stated after charging:		
Raw materials and consumables	-	100
Operating lease hire	-	78
Other external charges	-	100
Staff costs:		
Wages and salaries	-	99
Social security costs	-	7
Other pension costs	-	1
Depreciation (note 7)	-	6
	-----	-----
	-	391
	=====	=====

Notes (continued)

4 Remuneration of directors

None of the Directors received any remuneration in respect of their services to the Company (year ended 27 September 1998 : £Nil).

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	Number of employees	
	52 weeks ended 26 September 1999	52 weeks ended 27 September 1998
United Kingdom		
- full time	-	2
- part time	-	10
	<u>-</u>	<u>12</u>
	=====	=====

The aggregate payroll costs of these persons are included above in Note 3.

6 Taxation on (loss) on ordinary activities

Tax on (loss) on ordinary activities is made up as follows:

	52 weeks ended 26 September 1999 £'000	52 weeks ended 27 September 1998 £'000
Corporation tax at 30% (1998 : 31%)	-	3
	=====	=====

Notes (continued)

7 Tangible fixed assets

	Short leasehold (under 50 years) £'000	Fixtures and Fittings £'000	Total £'000
Cost or valuation			
At beginning of year	118	9	127
Disposals	(118)	(9)	(127)
At end of year	-	-	-
Depreciation			
At beginning of year	22	2	24
On Disposals	(22)	(2)	(24)
At end of year	-	-	-
Net book value			
At 26 September 1999	-	-	-
At 27 September 1998	96	7	103

The historical cost of assets held at valuation is not readily available.

8 Stocks

	1999 £'000	1998 £'000
Goods for resale	-	6

9 Debtors

	1999 £'000	1998 £'000
Amounts falling due within one year:		
Other debtors and prepayments	-	17

10 Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Corporation tax	-	3
Accruals and deferred income	-	3
Amounts owed to fellow subsidiary undertakings	936	1056
	936	1,062

Notes (continued)

11 Called up share capital

	1999 £'000	1998 £'000
<i>Authorised, allotted and fully paid</i>		
1,000,000 ordinary shares of £1 each	1,000	1,000
	=====	=====

12 Reserves

	Profit and loss reserve £'000
At beginning of year	(1,936)
Loss for the period	-
At end of year	(1,936)
	=====

13 Reconciliation of movement in shareholders funds

	52 weeks ended 26 September 1999 £'000	52 weeks ended 27 September 1998 £'000
(Loss) for the year	-	(12)
Opening shareholders' funds	(936)	(924)
Closing shareholders' funds	(936)	(936)
	=====	=====

14 Commitments under operating leases

	Land and buildings 1999 £'000	1998 £'000
Operating leases which expire:		
Over five years	-	85
	=====	=====

15 Contingent liabilities and guarantees

The Company has an arrangement with Granada Group PLC whereby the bank account is operated as part of the Granada Group banking arrangements. Accordingly the Company and other associated companies are jointly and severally liable for all amounts outstanding on the aforementioned account to the value of £3,535,112 as at 26 September 1999.

Under a group registration the Company is jointly and severally liable for VAT due by the other companies within the group registration. At 26 September 1999 this contingent liability amounted to £14,662,752.

16 Pension schemes

The company participates in defined benefit pension schemes operated by Granada Group PLC that are externally funded under separate trusts. Valuations of the funds are carried out approximately triennially by independent actuaries, the last actuarial assessment being made in October 1998. That report disclosed that the funds were adequate to meet all the obligations of the schemes.

Particulars of the actuarial valuations of the Group schemes are disclosed in the financial statements of Granada Group PLC.

Effective from 28 September 1998 all employees were transferred to fellow subsidiaries.

17 Related party transactions

The company is ultimately owned by Granada Group PLC and has taken advantage of the exemption under FRS8 from the requirement to disclose transactions with other group companies, and investees of the group qualifying as related parties.

18 Ultimate parent undertaking

The Company's ultimate parent undertaking is Granada Group Plc, incorporated in England. This is the only group in which the results of the company are consolidated. The consolidated accounts are available from the following address:

Stornoway House
13 Cleveland Row
London
SW1A 1GG