

CLAYMOSS LEISURE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2004**

COMPANY NUMBER:03883183



CLAYMOSS LEISURE LIMITED

COMPANY INFORMATION

DIRECTORS	M E Moors C A Harris
SECRETARY	The Inn Company Group Limited
COMPANY NUMBER	03883183
REGISTERED OFFICE	7 Whiteway Court The Whiteway Circencester GL7 7BA
ACCOUNTANTS	Bentley Jennison Chartered Accountants 5 Ridge House Ridge House Drive Festival Park Stoke on Trent ST1 5SJ

CLAYMOSS LEISURE LIMITED

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 8
<i>The following pages do not form part of the statutory accounts:</i>	
Detailed profit and loss account and summaries	9 - 10

CLAYMOSS LEISURE LIMITED

DIRECTORS' REPORT
For the year ended 30 June 2004

The directors present their report and the financial statements for the year ended 30 June 2004.

PRINCIPAL ACTIVITIES

The company's principal activity is that of owning and operating public houses.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares shares of £1 each	
	<u>30/6/04</u>	<u>1/7/03</u>
M E Moors	1,185,000	1,185,000
C A Harris	-	-

The report of the directors 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 5 November 2004 and signed on its behalf.

C A Harris
Director

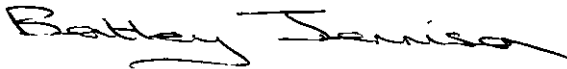


CLAYMOSS LEISURE LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
UNAUDITED FINANCIAL STATEMENTS OF CLAYMOSS LEISURE LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 June 2004 set out on pages 3 to 8 and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records of the company and from information and explanations supplied to us.



Bentley Jennison

Chartered Accountants

5 Ridge House
Ridge House Drive
Festival Park
Stoke on Trent
ST1 5SJ

10 November 2004 .

CLAYMOSS LEISURE LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 30 June 2004

	Note	2004 £	2003 £
TURNOVER	1	506,461	431,232
Cost of sales		<u>(169,599)</u>	<u>(146,171)</u>
GROSS PROFIT		336,862	285,061
Administrative expenses		<u>(300,115)</u>	<u>(265,363)</u>
OPERATING PROFIT	3	36,747	19,698
Interest receivable		<u>907</u>	<u>2,373</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,654	22,071
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		37,654	22,071
LOSS BROUGHT FORWARD		<u>(175,282)</u>	<u>(197,353)</u>
LOSS CARRIED FORWARD		<u><u>(137,628)</u></u>	<u><u>(175,282)</u></u>

The notes on pages 5 to 8 form part of these financial statements.

CLAYMOSS LEISURE LIMITED

BALANCE SHEET
As at 30 June 2004

	Note	2004	2003
		£	£
FIXED ASSETS			
Tangible fixed assets	5	886,833	904,285
DEBTORS: due after more than one year	6	100,000	-
CURRENT ASSETS			
Stocks		9,397	7,540
Debtors	6	11,619	4,941
Cash at bank and in hand		110,196	142,562
		<u>131,212</u>	<u>155,043</u>
CREDITORS: amounts falling due within one year	7	(70,673)	(49,610)
NET CURRENT ASSETS		<u>60,539</u>	<u>105,433</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,047,372</u></u>	<u><u>1,009,718</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	1,185,000	1,185,000
Profit and loss account		(137,628)	(175,282)
SHAREHOLDERS' FUNDS		<u><u>1,047,372</u></u>	<u><u>1,009,718</u></u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 June 2004 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on *5 November 2004* and signed on its behalf.


C A Harris
Director

The notes on pages 5 to 8 form part of these financial statements.

CLAYMOSS LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2%	straight line
Fixtures & Fittings	-	20%	straight line
Computer Equipment	-	33%	straight line

Freehold land is not depreciated.

1.5 Stocks

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

1.6 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

2. TURNOVER

None of the company's turnover is attributable to geographical markets outside the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	27,294	22,909
	<hr/>	<hr/>

During the year, no director received any emoluments (2003 - £nil).

CLAYMOSS LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

4. TAXATION

Factors affecting current year tax charges

The tax charge for the year, which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK, has been reduced by the utilisation of company trading losses of £55,300, brought forward from prior periods.

Factors that may affect future tax charges

The company has trading losses of £14,000 carried forward, which can be relieved against future trading profits.

5. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 July 2003	897,776	55,906	4,589	958,271
Additions	4,914	4,928	-	9,842
At 30 June 2004	<u>902,690</u>	<u>60,834</u>	<u>4,589</u>	<u>968,113</u>
Depreciation				
At 1 July 2003	37,102	13,534	3,350	53,986
Charge for the year	14,782	11,786	726	27,294
At 30 June 2004	<u>51,884</u>	<u>25,320</u>	<u>4,076</u>	<u>81,280</u>
Net book value				
At 30 June 2004	<u>850,806</u>	<u>35,514</u>	<u>513</u>	<u>886,833</u>
At 30 June 2003	<u>860,674</u>	<u>42,372</u>	<u>1,239</u>	<u>904,285</u>

6. DEBTORS

	2004 £	2003 £
Due after more than one year		
Other debtors	<u>100,000</u>	<u>-</u>
Due within one year		
Trade debtors	932	903
Other debtors	<u>10,687</u>	<u>4,038</u>
	<u>11,619</u>	<u>4,941</u>

CLAYMOSS LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

7. CREDITORS:

Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	38,868	39,247
Social security and other taxes	12,024	2,064
Other creditors	19,781	8,299
	<u>70,673</u>	<u>49,610</u>

8. DEFERRED TAXATION

No provision has been made for deferred taxation assets, the realisation of which is not reasonably certain.

	Unprovided	
	2004	2003
	£	£
Accelerated capital allowances	2,424	3,140
Tax losses brought forward	(2,937)	(13,129)
	<u>(513)</u>	<u>(9,989)</u>

9. SHARE CAPITAL

	2004	2003
	£	£
Authorised		
5,000,000 Ordinary shares shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
1,185,000 Ordinary shares shares of £1 each	<u>1,185,000</u>	<u>1,185,000</u>

CLAYMOSS LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

10. RELATED PARTY TRANSACTIONS

C A Harris, a director of the company, is also a director of Inn Company Management Limited and The Inn Company Group Limited. During the year the company purchased goods and services from these companies as follows:

	£
The Inn Company Group Limited	25,215
Inn Company Management Limited	22,048
	<u> </u>

The balances owed to these companies at the year end are:

The Inn Company Group Limited	1,704
Inn Company Management Limited	4,308
	<u> </u>

During the year, the company made a loan of £100,000 to Claymoss Properties Limited, which is a related party by virtue of the common directorship of M E Moors. The loan is not due for repayment until over one year from the balance sheet date.

11. CONTROLLING PARTY

The controlling party at the balance sheet date is M E Moors by virtue of his shareholding.