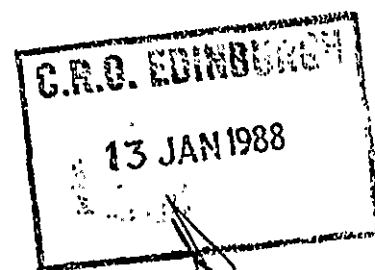


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GLYNHILL HOTEL LIMITED

FINANCIAL ACCOUNTS

FOR YEAR ENDED 4th APRIL 1987



GILLESPIE & ANDERSON
CHARTERED ACCOUNTANTS
GLASGOW

AUDITORS' REPORT TO THE MEMBERS OF

GLYNHILL HOTEL LIMITED

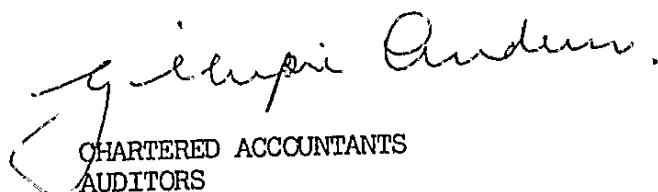
In our opinion the Company is entitled to the benefit of the exemptions for individual Financial Statements for the year ended 4th April, 1987 on the grounds that the Company is a small company.

We have audited the attached Financial Statements and Company Notes. Our audit was conducted in accordance with approved Auditing Standards, having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the Directors who are major Shareholders. We have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

The Company has not depreciated its Premises in line with the requirements of Statement of Standard Accounting Practice No. 12.

Subject to the foregoing, the annexed Financial Statements, which have been prepared under the historical cost convention, give a true and fair view of the Company's affairs as at 4th April, 1987 and of its Profit and Source and Application of Funds for the year ended on that date and comply with the Companies Act 1985.


CHARTERED ACCOUNTANTS
AUDITORS

4th December, 1987

GLYNHILL HOTEL LIMITED

BALANCE SHEET AS AT 4th APRIL 1987

	<u>1987</u>	<u>1986</u>
<u>FIXED ASSETS</u>		
Intangible Assets	£ -	£ 14,302
Tangible Assets	<u>1,133,312</u>	<u>1,162,136</u>
	<u>1,133,312</u>	<u>1,176,438</u>
Deduct: Heritable Loans	-	20,000
	<u>1,133,312</u>	<u>1,156,438</u>
<u>QUOTED INVESTMENT</u>	350	-
	<u>1,133,662</u>	<u>1,156,438</u>
<u>CURRENT ASSETS</u>		
Stocks	£ 39,484	£ 38,385
Debtors	81,876	97,141
Cash at Bank and on Hand	<u>270,085</u>	<u>87,122</u>
<u>TOTAL CURRENT ASSETS</u>	391,445	222,648
<u>CREDITORS</u>		
Amounts falling due within 1 year	<u>363,874</u>	<u>374,466</u>
<u>NET CURRENT ASSETS</u>	<u>27,571</u>	<u>(151,818)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	1,161,233	1,004,620
<u>CREDITORS</u>		
Amounts falling due after more than 1 year	<u>4,550</u>	<u>7,301</u>
	<u>1,156,683</u>	<u>997,319</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	<u>151,370</u>	<u>176,387</u>
	<u>£1,005,313</u>	<u>£ 820,932</u>
<u>CAPITAL AND RESERVES</u>		
Called up Share Capital	£ 165,000	£ 165,000
Profit and Loss Account	<u>840,313</u>	<u>655,932</u>
	<u>£1,005,313</u>	<u>£ 820,932</u>

The Directors have relied on the exemptions for individual Financial Statements contained in Sections 247 to 249 of the Companies Act 1985 because, under that Act, the Company is entitled to benefit from those exemptions as a small company.

These Financial Statements were prepared by the Board of Directors of the Company on 4th December, 1987 and were signed on its behalf by:

..... DIRECTOR

..... DIRECTOR

GLYNHILL HOTEL LIMITED

ACCOUNTING POLICIES

Accounting Convention

These Accounts which have been drawn up under the historical cost convention, are prepared in accordance with the requirements of the Companies Act 1985 and comply with the Statements of Standard Accounting Practice approved to date by the Councils of the principal accounting bodies of the United Kingdom. They do not necessarily comply with the Exposure Drafts still under discussion.

Stocks and Work in Progress

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

Tangible Fixed Assets

Tangible Fixed Assets are stated at cost less depreciation. A Schedule of the movements is produced in the following Notes. The Tangible Fixed Assets are depreciated using suitable rates and methods calculated to write off the cost of the Assets concerned over their useful lives. The rates and methods currently in use are as follows:

Land and Buildings	Nil			
Plant and Fittings	10% Reducing Balance Method			
Motor Vehicles	20%	"	"	"
Furnishings	10%	"	"	"
Electrical Installation	10%	"	"	"
Heating Installation	10%	"	"	"
Crockery, Glassware and Cutlery	Renewals Basis			
Linen	Renewals Basis			

Pension Fund

The amounts shown in the Accounts relative to Pension Funds represent payments made to the Fund in the course of the year less contributions from employees.

Deferred Taxation

Provision is made at current rates of taxation in respect of the full amount of taxation deferred by the application of first year allowances and other timing differences.

SHARE CAPITAL

	<u>1987</u>	<u>1986</u>
<u>Authorised</u>		
200,000 Ordinary Shares of £1 each	£200,000	£200,000
	=====	=====
<u>Allotted, Issued and Fully Paid</u>		
165,000 Ordinary Shares of £1 each	£165,000	£165,000
	=====	=====