

BAKERS DOZEN INNS LIMITED

AUDITORS' REPORT TO THE DIRECTORS FOR THE PURPOSES OF
PARAGRAPH 10 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

1938001

In our opinion the directors are entitled under sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the period ended 2 January 1988, and in particular the modified accounts have been properly prepared in accordance with Schedule 8 to the Act. We are not required to express an audit opinion on the truth and fairness of these modified accounts.

We reported, as auditors of Bakers Dozen Inns Limited, to the members on 28 April 1988 on the company's financial statements prepared under section 227 of the Companies Act 1985 for the period ended 2 January 1988 and our audit report was as follows.

We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion, the financial statements, which have been prepared on the basis of the accounting policies set out on page 7 give a true and fair view of the state of the company's affairs at 2 January 1988 and of its loss and source and application of funds for the period then ended and comply with Companies Act 1985.

Birds Hamlyn

28 April 1988

Chartered Accountants
7 The Close, Norwich

BAKERS DOZEN INNS LIMITED

BALANCE SHEET

AS AT 2 JANUARY 1988

	<u>Note</u>	<u>2.1.88</u>	<u>31.12.86</u>
		£	£
<u>Fixed Assets</u>			
Tangible Assets		35,203	75,353
<u>Current Assets</u>			
Stocks		13,884	25,823
Debtors		3,905	6,113
Cash at Bank and in Hand		18,369	14,254
		<u>36,158</u>	<u>46,190</u>
<u>Creditors</u> (Amounts falling due within one year)		<u>(62,914)</u>	<u>(110,564)</u>
<u>Net Current Liabilities</u>		<u>(26,756)</u>	<u>(64,374)</u>
<u>Total Assets less Current Liabilities</u>		<u>8,447</u>	<u>10,979</u>
<u>Capital and Reserves</u>			
Share Capital	2	13	13
Profit and Loss Account		8,434	10,966
		<u>8,447</u>	<u>10,979</u>

We have relied on sections 247 to 249 of the Companies Act 1985 as entitling us to deliver modified accounts, and we do so on the grounds that the Company is entitled to the benefit of those sections as a small Company.

Approved by the Board on 28 April 1988
and signed on its behalf by:

D Baker
J Baker

D BAKER)
MRS J BAKER)

) DIRECTORS

BAKERS DOZEN INNS LIMITED
NOTES TO THE MODIFIED ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounts

The accounts for the year have been prepared under the historical cost convention. They have been prepared on a going concern bases on the assurance of the Directors that they will limit withdrawals on their loan accounts for the foreseeable future, to ensure the Company remains solvent.

— (b) Turnover

Turnover represents sales for the year net of returns and excludes taxes levied on sales.

(c) Fixed Assets

Depreciation is charged in the accounts on the net cost of assets at the rates set out below, which are calculated to write off assets over their expected useful lives.

Office Conversion Costs - 20% on cost
Fixtures, Fittings, Plant and Equipment - 20% on cost
Motor Vehicles - 25% on reducing balance

(d) Stocks

Stock is valued at the lower of cost and net realisable value.

(e) Leasing Transactions

Operating lease rentals are charged to the profit and loss account as they fall due.

		<u>2.1.88</u>	<u>31.12.86</u>
		£	£
2. <u>SHARE CAPITAL</u>			
<u>Authorised</u>	100,000 Ordinary shares of £1 each	100,000	100,000
<u>Issued and Fully Paid</u>	13 Ordinary shares of £1 each	<u>13</u>	<u>13</u>

3. BANK OVERDRAFT

The bank overdraft is secured by a personal unlimited guarantee given by Mr D Baker, a Director of the Company.