

Warm Welcome Hotels (Southern) Limited

Abbreviated Annual Report

Year Ended 30 April 2007

Company Registration Number 2345854

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Warm Welcome Hotels (Southern) Limited

Abbreviated Accounts

Year Ended 30 April 2007

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Warm Welcome Hotels (Southern) Limited

INDEPENDENT AUDITOR'S REPORT TO WARM WELCOME HOTELS (SOUTHERN) LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes, together with the financial statements of Warm Welcome Hotels (Southern) Limited for the year ended 30 April 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Other Information

On ~~22/02/08~~ we reported as auditor to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

Warm Welcome Hotels (Southern) Limited

INDEPENDENT AUDITOR'S REPORT TO WARM WELCOME HOTELS (SOUTHERN) LIMITED *(continued)*

UNDER SECTION 247B OF THE COMPANIES ACT 1985

Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosure made in note 1 of the financial statements concerning the pledge made by the parent company to provide sufficient continuing facilities to enable the company to continue normal trading facilities

In view of the significance of this pledge we consider that it should be drawn to your attention but our opinion is not qualified in this respect



Thomas Westcott
Chartered Accountants
Petitor House
Nicholson Road
Torquay
Devon
TQ2 7TD

22/02/08

Registered Auditors

Warm Welcome Hotels (Southern) Limited

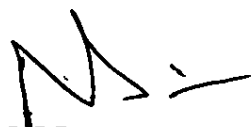
Abbreviated Balance Sheet

30 April 2007

	Note	£	2007 £	£	2006 £
Fixed Assets	2				
Tangible assets			1,855,156		1,873,317
Current Assets					
Stocks		23,483		21,152	
Debtors		69,255		49,715	
Cash at bank and in hand		43,028		27,288	
		<u>135,766</u>		<u>98,155</u>	
Creditors: Amounts falling due within one year	3	<u>(366,445)</u>		<u>(291,662)</u>	
Net Current Liabilities			<u>(230,679)</u>		<u>(193,507)</u>
Total Assets Less Current Liabilities			<u>1,624,477</u>		<u>1,679,810</u>
Creditors: Amounts falling due after more than one year	4		(2,135,481)		(2,175,845)
Provisions for Liabilities			(47,645)		(44,685)
Government Grants	5		<u>(4,510)</u>		<u>(5,740)</u>
			<u>(563,159)</u>		<u>(546,460)</u>
Capital and Reserves					
Called-up equity share capital	7		100		100
Profit and loss account			<u>(563,259)</u>		<u>(546,560)</u>
Deficit			<u>(563,159)</u>		<u>(546,460)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts have been approved for issue by the Board of Directors on 21 February 2008


P G Davies

Warm Welcome Hotels (Southern) Limited

Notes to the Abbreviated Accounts

Year Ended 30 April 2007

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand, a long term bank loan and a pledge from its parent company Warm Welcome Management Limited to provide sufficient continuing facilities

On this basis, the directors consider it appropriate to prepare financial statements on the going concern basis. The financial statements do not include any adjustment that would result from a withdrawal of the above facilities

(b) Turnover

The turnover shown in the profit and loss account represents amounts receivable from ordinary activities during the year exclusive of Value Added Tax

(c) Fixed assets

All fixed assets are initially recorded at cost

(d) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- 2% per annum on a straight line basis
Leasehold Property	- Over the term of the lease
Fixtures & Fittings	- 15% per annum on a reducing balance basis

(e) Stocks

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

(f) Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

(g) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Warm Welcome Hotels (Southern) Limited

Notes to the Abbreviated Accounts

Year Ended 30 April 2007

1. Accounting Policies *(continued)*

(h) Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as required by the FRSSE

(i) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(j) Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. Fixed Assets

	Tangible Assets £
Cost	
At 1 May 2006	3,027,612
Additions	75,774
At 30 April 2007	<u>3,103,386</u>
Depreciation	
At 1 May 2006	1,154,295
Charge for year	93,935
At 30 April 2007	<u>1,248,230</u>
Net Book Value	
At 30 April 2007	<u>1,855,156</u>
At 30 April 2006	<u>1,873,317</u>

3. Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2007 £	2006 £
Bank loans and overdrafts	104,232	99,759
Hire purchase agreements	-	2,832
	<u>104,232</u>	<u>102,591</u>

Warm Welcome Hotels (Southern) Limited

Notes to the Abbreviated Accounts

Year Ended 30 April 2007

4 Creditors: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2007 £	2006 £
Bank loans and overdrafts	<u>404,851</u>	<u>464,554</u>

Included within creditors falling due after more than one year is an amount of £200,000 (2006 - £250,000) in respect of liabilities which fall due for payment after more than five years from the balance sheet date

5. Government Grants

	2007 £	2006 £
Received and receivable	8,200	8,200
Amortisation	<u>(3,690)</u>	<u>(2,460)</u>
	<u>4,510</u>	<u>5,740</u>

6. Related Party Transactions

The company is controlled by its parent company Warm Welcome Management Limited. Warm Welcome Management Limited is controlled by Mr P G Davies, director. Mr P G Davies is the ultimate controlling party.

During the year the company paid £225,000 (2006 - £225,000) in management charges to Warm Welcome Management Limited.

During the year the company borrowed £19,339 from Warm Welcome Management Limited. The amount owed to Warm Welcome Management Limited at the year end was £1,730,630.

Warm Welcome Hotels (Southern) Limited

Notes to the Abbreviated Accounts

Year Ended 30 April 2007

7. Share Capital

Authorised share capital:

	2007	2006
	£	£
Equity shares		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Equity shares				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

8. Ultimate Parent Company

Warm Welcome Hotels (Southern) Limited is a subsidiary undertaking of Warm Welcome Management Limited, a company incorporated in England and Wales