

Warm Welcome Hotels (Southern) Limited
Annual Report
Year Ended 30 April 2010

Company Registration Number 2345854

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Warm Welcome Hotels (Southern) Limited

Financial Statements

Year Ended 30 April 2010

Contents	Page
The Directors' Report	1
Statement of Directors' Responsibilities	2
Independent Auditor's Report to the Shareholder	3
Profit and Loss Account	5
Note of Historical Cost Profits and Losses	6
Balance Sheet	7
Notes and Accounting Policies	8
The following pages do not form part of the financial statements	
Detailed Profit and Loss Account	20
Notes to the Detailed Profit and Loss Account	21

Warm Welcome Hotels (Southern) Limited

The Directors' Report

Year Ended 30 April 2010

The directors present their report and the financial statements of the company for the year ended 30 April 2010

Principal Activities and Business Review

The principal activity of the company during the year was the operation of the Bedford Hotel in Tavistock and the Two Bridges Hotel on Dartmoor

The hotels have both enjoyed increases in turnover and profitability again this year, hence the results for the year ended 30 April 2010 are significantly stronger than those for the previous year

"Gallery 26", the new function room at the Bedford Hotel opened on 1 February 2009 and has proved very successful in generating additional income for the company

Given the straight forward nature of the business, the company's directors are of the opinion that analysis of key performance indicators is not necessary for an understanding of the business

Results and Dividends

The profit for the year, after taxation, amounted to £147,107 The directors have not recommended a dividend

Financial Risk Management Objectives and Policies

The tourist industry is constantly evolving and the major threats are from changing visitor requirements and the growth of new destinations, particularly overseas

The company's strategy to combat these threats is to continue to develop the quality and range of its facilities and to cater for a wide range of different markets

Directors

The directors who served the company during the year were as follows

P G Davies

P B M Cliff

Auditor

In accordance with Section 489 of the Companies Act 2006, the company has elected to dispense with the obligation to appoint auditors annually Accordingly the auditors, Thomas Westcott, Chartered Accountants, remain in office in accordance with the above Sections

Signed by order of the directors


For and on behalf of
S L SECRETARIES LIMITED

S L Secretaries Limited
Company Secretary

Approved on 21 October 2010

Warm Welcome Hotels (Southern) Limited

Statement of Directors' Responsibilities

Year Ended 30 April 2010

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 accounting estimates that are reasonable and prudent,
- 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Warm Welcome Hotels (Southern) Limited

Independent Auditor's Report to the Shareholder of Warm Welcome Hotels (Southern) Limited

Year Ended 30 April 2010

We have audited the financial statements of Warm Welcome Hotels (Southern) Limited for the year ended 30 April 2010 which comprise the Profit and Loss Account, Note of Historical Cost Profits and Losses, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholder, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an 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 and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Warm Welcome Hotels (Southern) Limited

Independent Auditor's Report to the Shareholder of Warm Welcome Hotels (Southern) Limited *(continued)*

Year Ended 30 April 2010

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Thomas Westcott

SHONA GODEFROY FCCA (Senior
Statutory Auditor)
For and on behalf of
THOMAS WESTCOTT
Chartered Accountants
& Statutory Auditor

26-28 Southernhay East
Exeter
Devon
EX1 1NS

28 OCTOBER 2010

Warm Welcome Hotels (Southern) Limited

Profit and Loss Account

Year Ended 30 April 2010

	Note	2010 £	2009 £
Turnover	2	2,831,966	2,485,608
Cost of sales		<u>617,456</u>	<u>551,445</u>
Gross Profit		2,214,510	1,934,163
Administrative expenses		<u>1,975,168</u>	<u>1,832,333</u>
Operating Profit	3	239,342	101,830
Interest receivable		—	5
Interest payable and similar charges	5	(11,479)	(31,004)
Profit on Ordinary Activities Before Taxation		<u>227,863</u>	<u>70,831</u>
Tax on profit on ordinary activities	6	80,756	47,826
Profit for the Financial Year		<u>147,107</u>	<u>23,005</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 18 form part of these financial statements

Warm Welcome Hotels (Southern) Limited

Note of Historical Cost Profits and Losses

Year Ended 30 April 2010

	2010 £	2009 £
Reported profit on ordinary activities before taxation	227,863	70,831
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>35,973</u>	<u>36,722</u>
Historical cost profit on ordinary activities before taxation	<u>263,836</u>	<u>107,553</u>
Historical cost profit for the year after taxation	<u>183,080</u>	<u>59,727</u>

The notes on pages 8 to 18 form part of these financial statements.

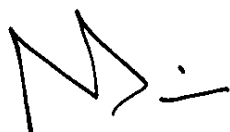
Warm Welcome Hotels (Southern) Limited

Balance Sheet

30 April 2010

	Note	£	2010 £	£	2009 £
Fixed Assets					
Tangible assets	7		5,528,740		5,564,960
Current Assets					
Stocks	8	27,767		29,770	
Debtors	9	41,100		63,311	
Cash at bank and in hand		79,209		35,750	
		<u>148,076</u>		<u>128,831</u>	
Creditors: Amounts falling due within one year	10	<u>476,385</u>		<u>402,886</u>	
Net Current Liabilities			<u>(328,309)</u>		<u>(274,055)</u>
Total Assets Less Current Liabilities			<u>5,200,431</u>		<u>5,290,905</u>
Creditors: Amounts falling due after more than one year	11		2,195,020		2,430,842
Provisions for Liabilities					
Deferred taxation	12		66,000		66,529
Government grants	13		820		2,050
			<u>2,938,591</u>		<u>2,791,484</u>
Capital and Reserves					
Called-up equity share capital	17		100		100
Revaluation reserve	18		3,355,423		3,391,396
Profit and loss account	19		(416,932)		(600,012)
Shareholder's Funds	20		<u>2,938,591</u>		<u>2,791,484</u>

These financial statements were approved by the directors and authorised for issue on 21 October 2010, and are signed on their behalf by



P G Davies

Company Registration Number 2345854

The notes on pages 8 to 18 form part of these financial statements.

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of properties

Fundamental accounting concept

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) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

(c) Turnover

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

(d) Fixed assets

All fixed assets are initially recorded at cost. Properties are stated at valuations on the basis of fully-equipped operational properties, having regard to their trading potential

The company's properties are shown at their market value in 2008, with subsequent additions at cost. These values are retained subject to testing assets for impairment in accordance with FRS11

(e) Depreciation

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

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

No depreciation is provided on freehold land and buildings, as the directors consider that the residual value of these properties is such that depreciation would be immaterial. The company has a policy and practice of regular maintenance and repair (charges for which are recognised in the profit and loss account) such that these assets are kept to their previously assessed standard of performance

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

1. Accounting Policies *(continued)*

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

(f) Stocks

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

Net realisable value is based on the estimated selling price less any further costs expected to be incurred to completion and disposal

(g) 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

(h) 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

(i) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based upon tax rates and laws enacted or substantially enacted at the balance sheet date

(j) 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

(k) 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

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2010 £	2009 £
United Kingdom	<u>2,831,966</u>	<u>2,485,608</u>

3 Operating Profit

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Directors' remuneration	—	—
Amortisation of government grants re fixed assets	(1,230)	(1,230)
Depreciation of owned fixed assets	108,257	105,535
Auditor's remuneration		
- audit fees	5,735	5,945
Operating lease costs		
- Other	<u>400</u>	<u>400</u>

4. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to

	2010 No	2009 No
Number of hotel staff	<u>73</u>	<u>66</u>

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	781,459	733,655
Social security costs	<u>57,415</u>	<u>55,931</u>
	<u>838,874</u>	<u>789,586</u>

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

5. Interest Payable and Similar Charges

	2010 £	2009 £
Interest payable on bank borrowing	11,479	30,413
Other similar charges payable	—	591
	<u>11,479</u>	<u>31,004</u>

6 Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	81,685	22,250
Over/under provision in prior year	(400)	(7,032)
Total current tax	<u>81,285</u>	<u>15,218</u>
Deferred tax		
Origination and reversal of timing differences (note 12)		
Capital allowances	(529)	32,608
Tax on profit on ordinary activities	<u>80,756</u>	<u>47,826</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>227,863</u>	<u>70,831</u>
Profit on ordinary activities by rate of tax	63,802	19,833
Marginal relief	(3,705)	(6,928)
Capital allowances in excess of depreciation	3,195	(6,799)
Expenses not deductible for tax purposes	18,393	16,111
Over provision in prior year	(400)	(7,032)
Other	—	33
Total current tax (note 6(a))	<u>81,285</u>	<u>15,218</u>

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

7. Tangible Fixed Assets

	Freehold Land & Property £	Leasehold Property £	Fixtures & Fittings £	Total £
Cost or Valuation				
At 1 May 2009	2,506,092	2,789,544	1,313,238	6,608,874
Additions	40,984	—	31,053	72,037
At 30 April 2010	<u>2,547,076</u>	<u>2,789,544</u>	<u>1,344,291</u>	<u>6,680,911</u>
Depreciation				
At 1 May 2009	—	56,934	986,980	1,043,914
Charge for the year	—	56,934	51,323	108,257
At 30 April 2010	<u>—</u>	<u>113,868</u>	<u>1,038,303</u>	<u>1,152,171</u>
Net Book Value				
At 30 April 2010	<u>2,547,076</u>	<u>2,675,676</u>	<u>305,988</u>	<u>5,528,740</u>
At 30 April 2009	<u>2,506,092</u>	<u>2,732,610</u>	<u>326,258</u>	<u>5,564,960</u>

The freehold and long leasehold properties were revalued on an open market, existing use basis on 8 April 2008 by King Sturge LLP, Chartered Surveyors, Exeter. King Sturge LLP are professional valuers, external to the company.

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

7. Tangible Fixed Assets *(continued)*

In respect of properties stated at valuations, the comparable historical cost and depreciation values are as follows

	NBV of revalued freehold property £	NBV of revalued leasehold property £	Total £
Net book value at end of year	<u>2,547,076</u>	<u>2,676,837</u>	<u>5,223,913</u>
Historical cost:			
At 1 May 2009	973,492	1,289,653	2,263,145
Cost of additions to revalued assets brought forward	40,984	-	40,984
At 30 April 2010	<u>1,014,476</u>	<u>1,289,653</u>	<u>2,304,129</u>
Depreciation:			
At 1 May 2009	96,281	319,558	415,839
Charge for year	-	20,212	20,212
At 30 April 2010	<u>96,281</u>	<u>339,770</u>	<u>436,051</u>
Net historical cost value:			
At 30 April 2010	<u>918,195</u>	<u>949,883</u>	<u>1,868,078</u>
At 1 May 2009	<u>877,211</u>	<u>970,095</u>	<u>1,847,306</u>

8. Stocks

	2010 £	2009 £
Wet and dry goods	<u>27,767</u>	<u>29,770</u>

9. Debtors

	2010 £	2009 £
Trade debtors	32,339	54,807
Prepayments and accrued income	<u>8,761</u>	<u>8,504</u>
	<u>41,100</u>	<u>63,311</u>

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

10. Creditors: Amounts falling due within one year

	2010	2009
£	£	£
Bank loans and overdrafts	70,000	86,830
Payments received on account	79,475	76,038
Trade creditors	118,920	99,287
Other creditors including taxation and social security		
Corporation tax	81,685	22,250
PAYE and social security	11,891	15,290
VAT	76,667	49,852
Other creditors	26,565	53,339
	<u>196,808</u>	<u>140,731</u>
Accruals and deferred income	11,182	—
	<u>476,385</u>	<u>402,886</u>

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

	2010	2009
	£	£
Bank loans and overdrafts	<u>70,000</u>	<u>86,830</u>

The borrowings are secured by a debenture over all of the company's assets and a first legal charge over the commercial freehold and leasehold properties

11. Creditors: Amounts falling due after more than one year

	2010	2009
	£	£
Bank loans and overdrafts	820,000	890,000
Amounts owed to group undertakings	1,375,020	1,540,842
	<u>2,195,020</u>	<u>2,430,842</u>

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

	2010	2009
	£	£
Bank loans and overdrafts	<u>820,000</u>	<u>890,000</u>

The borrowings are secured by a debenture over all of the company's assets and a first legal charge over the commercial freehold and leasehold properties

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

11. Creditors: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2010 £	2009 £
Bank loans and overdrafts	<u>450,000</u>	<u>550,000</u>

The company has two bank loans

An original loan of £310,000, repayable in five consecutive annual instalments, the first instalment of which was paid in November 2009. The loan carries interest at 1.25% over base rate and,

An original loan of £650,000, repayable in twelve annual instalments (commencing in September 2011), which carries interest at 1.25% over base rate

12. Deferred Taxation

The movement in the deferred taxation provision during the year was

	2010 £	2009 £
Provision brought forward	66,529	33,921
Profit and loss account movement arising during the year	<u>(529)</u>	<u>32,608</u>
Provision carried forward	<u>66,000</u>	<u>66,529</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2010 £	2009 £
Excess of taxation allowances over depreciation on fixed assets	66,000	66,529
	<u>66,000</u>	<u>66,529</u>

If the freehold and leasehold properties were sold at market value there would be a tax liability of over £1,025,000. No provision has been made for this potential liability in these accounts

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

13. Government Grants

	2010	2009
	£	£
Received and receivable:		
At 1 May 2009	8,200	8,200
At 30 April 2010	<u>8,200</u>	<u>8,200</u>
Amortisation:		
At 1 May 2009	6,150	4,920
Credit to profit and loss account	1,230	1,230
At 30 April 2010	<u>7,380</u>	<u>6,150</u>
Net balance at 30 April 2010	<u>820</u>	<u>2,050</u>

14. Commitments under Operating Leases

At 30 April 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2010	2009
	£	£
Operating leases which expire Within 2 to 5 years	<u>813</u>	<u>813</u>

15. Contingencies

The company has mutually guaranteed the bank facilities of certain group companies. The contingent liability arising from those guarantees at 30 April 2010 & 2009 amounted to £890,000.

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

16. 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 £228,261 (2009 - £227,038) in management charges to Warm Welcome Management Limited.

During the year the company repaid £165,822 to Warm Welcome Management Limited. The amount owed to Warm Welcome Management Limited at the year end was £1,375,020 (2009 - £1,540,842).

During the year Francis Clark, a firm of Chartered Accountants in which P B M Cliff (a director of the company) is a partner, invoiced the company £13,185 (2009 - £5,950) for accountancy fees.

During the year S L Secretaries Limited, a company controlled by S Cliff, the wife of the company director P B M Cliff, invoiced the company £7,200 (2009 - £7,200) in respect of company secretarial fees.

17. Share Capital

Allotted, called up and fully paid.

	2010		2009	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

18. Revaluation Reserve

	2010	2009
	£	£
Balance brought forward	3,391,396	3,428,118
Transfer to the Profit and Loss Account on realisation	<u>(35,973)</u>	<u>(36,722)</u>
Balance carried forward	<u>3,355,423</u>	<u>3,391,396</u>

19. Profit and Loss Account

	2010	2009
	£	£
Balance brought forward	(600,012)	(659,739)
Profit for the financial year	147,107	23,005
Transfer from revaluation reserve	<u>35,973</u>	<u>36,722</u>
Balance carried forward	<u>(416,932)</u>	<u>(600,012)</u>

Warm Welcome Hotels (Southern) Limited

Notes and Accounting Policies

Year Ended 30 April 2010

20. Reconciliation of Movements in Shareholder's Funds

	2010	2009
	£	£
Profit for the financial year	147,107	23,005
Transfer from revaluation reserve	35,973	36,722
Transfer to profit and loss account	(35,973)	(36,722)
Net addition to shareholder's funds	147,107	23,005
Opening shareholder's funds	2,791,484	2,768,479
Closing shareholder's funds	<u>2,938,591</u>	<u>2,791,484</u>

21 Ultimate Parent Company

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

Warm Welcome Hotels (Southern) Limited

Management Information

Year Ended 30 April 2010

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4**

Warm Welcome Hotels (Southern) Limited

Detailed Profit and Loss Account

Year Ended 30 April 2010

	2010	2009
	£	£
Turnover	2,831,966	2,485,608
Cost of Sales		
Opening stock - dry	17,376	13,665
Opening stock - wet and tobacco	12,394	12,347
Purchases - dry	464,205	431,977
Purchases - wet and tobacco	151,248	123,226
	<u>645,223</u>	<u>581,215</u>
Closing stock - dry	(13,791)	(17,376)
Closing stock - wet and tobacco	<u>(13,976)</u>	<u>(12,394)</u>
	617,456	551,445
Gross Profit	2,214,510	1,934,163
Gross Profit Percentage	<u>78.2%</u>	<u>77.8%</u>
Overheads		
Administrative expenses	<u>1,975,168</u>	<u>1,832,333</u>
Operating Profit	239,342	101,830
Bank interest receivable	<u>-</u>	<u>5</u>
	239,342	101,835
Interest payable	<u>(11,479)</u>	<u>(31,004)</u>
Profit on Ordinary Activities	<u>227,863</u>	<u>70,831</u>

Warm Welcome Hotels (Southern) Limited

Notes to the Detailed Profit and Loss Account

Year Ended 30 April 2010

	£	2010 £	£	2009 £
Administrative Expenses				
Personnel costs				
Wages and salaries	781,459		733,655	
Staff NIC	57,415		55,931	
		838,874		789,586
Establishment expenses				
Rent	400		400	
Rates and water	97,006		91,820	
Light and heat	135,214		85,666	
		232,620		177,886
General expenses				
Telephone	10,239		11,953	
Hire of equipment	4,728		5,599	
General repairs and maintenance	147,718		122,076	
Printing, stationery and postage	25,640		19,210	
Staff welfare	9,490		12,516	
Sundry expenses	24,737		21,549	
Laundry and cleaning	109,489		103,641	
Decorations and flowers	13,537		15,440	
Bookings commission	24,450		18,935	
Guest entertainment	26,154		27,492	
Gardening	24,618		25,192	
Advertising	79,710		83,357	
Management charges payable	228,261		227,038	
Legal and professional fees	32,562		30,776	
Stocktaking fees	220		616	
Auditor's remuneration	5,735		5,945	
Depreciation of leasehold property	56,934		56,934	
Depreciation of fixtures and fittings	51,323		48,601	
Amortisation of government grants	(1,230)		(1,230)	
		874,315		835,640
Financial costs				
Bad debts written off	1,047		179	
Credit card charges	22,100		22,316	
Bank charges	6,212		6,726	
		29,359		29,221
		1,975,168		1,832,333
Interest Receivable				
Bank interest receivable		—		5

Warm Welcome Hotels (Southern) Limited

Notes to the Detailed Profit and Loss Account

Year Ended 30 April 2010

	2010	2009
	£	£
Interest Payable		
Bank interest payable	11,479	30,413
Interest on other loans	—	591
	<u>11,479</u>	<u>31,004</u>