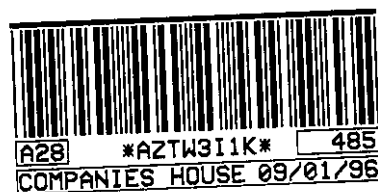


Company Registered Number: 2345854

WARM WELCOME HOTELS (SOUTHERN) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 1995



**WARM WELCOME HOTELS (SOUTHERN) LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 APRIL 1995**

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**AUDITORS' REPORT TO THE DIRECTORS OF**  
**WARM WELCOME HOTELS (SOUTHERN) LIMITED**  
**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8**  
**TO THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of Warm Welcome Hotels (Southern) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30 April 1995.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30 April 1995 and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with that Schedule.

**Other information**

On 13 December 1995, we reported, as auditors of Warm Welcome Hotels (Southern) Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 April 1995 and our audit report was as follows:-

"We have audited the financial statements on pages 4 to 10.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

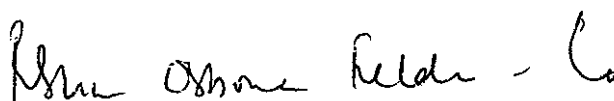
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Fisher Osbourne Fielder & Co  
The Old Magistrates Court  
High Street  
Stonehouse  
Glos  
GL10 2NG



13 December 1995

Accountants & Registered Auditors

## WARM WELCOME HOTELS (SOUTHERN) LIMITED

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## ABBREVIATED BALANCE SHEET


30 APRIL 1995

	Notes	£	1995 £	£	1994 £	£
FIXED ASSETS						
Tangible assets	2		1,624,952		1,611,848	
CURRENT ASSETS						
Stocks		20,010		21,794		
Debtors	3	71,460		45,126		
Cash at bank and in hand		7,210		21,041		
		98,680		87,961		
CREDITORS - Amounts falling due within one year	4	208,677		132,561		
NET CURRENT LIABILITIES			(109,997)		(44,600)	
TOTAL ASSETS LESS CURRENT LIABILITIES			1,514,955		1,567,248	
CREDITORS - Amounts falling due after more than one year	4		1,398,464		1,502,386	
			116,491		64,862	
CAPITAL AND RESERVES						
Called up share capital	5		100		100	
Revaluation reserve			30,631		30,631	
Profit and loss account			85,760		34,131	
SHAREHOLDERS' FUNDS			116,491		64,862	

We have relied on Section A of Part III of Schedule 8 to the Companies Act 1985 as entitling us to deliver abbreviated financial statements on the grounds that the company is entitled to the benefit of those sections as a small company.

In the preparation of the company's financial statements, the directors have taken advantage of special exemptions applicable to small companies and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

On behalf of the Board

 P DAVIES - DIRECTOR  
12 December 1995

## NOTES AND ACCOUNTING POLICIES

YEAR ENDED 30 APRIL 1995

## 1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal policies have been applied:

(a) **Turnover**

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

(b) **Tangible Fixed Assets and Depreciation**

Tangible assets other than freehold property are depreciated on a reducing balance basis over their estimated useful lives, at the following rates:

Leasehold property	Over the term of the lease
Fixtures and fittings	15% reducing balance
Fire precautions	25% straight line

No depreciation is provided on freehold property. It is the company's policy to maintain its buildings in such condition that the value is not impaired by the passage of time. Such expenditure is charged to the profit in the year in which it is committed. As a consequence, any element of depreciation would, in the opinion of the directors be immaterial, and no provision has been made.

(c) **Stock**

Stock is stated at the lower of cost and net realisable value using the first in first out method.

(d) **Deferred Taxation**

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

(e) **Leased assets**

Fixed assets acquired under hire purchase and finance leases are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

## NOTES AND ACCOUNTING POLICIES

YEAR ENDED 30 APRIL 1995

## 2 FIXED ASSETS - TANGIBLE

	£
<b>Cost or valuation</b>	
At 1 May 1994	1,761,577
Additions	63,554
Disposals	(500)
	<hr/>
At 30 April 1995	1,824,631
	<hr/>
<b>Depreciation</b>	
At 1 May 1994	149,729
Charge for year	49,950
	<hr/>
At 30 April 1995	199,679
	<hr/>
<b>Net book amounts</b>	
At 30 April 1994	1,611,848
	<hr/> <hr/>
At 30 April 1995	1,624,952
	<hr/> <hr/>

## 3 DEBTORS

The aggregate amount of debts falling due after more than one year is £Nil (1994 - £Nil).

## 4 CREDITORS

Security has been given by the company in respect of £411,293 (1994 - £381,737) of its creditors.

## 5 SHARE CAPITAL

There was no change in share capital during the year.

	Authorised	Allotted and fully paid
Ordinary shares of £1 each	100	100
	<hr/> <hr/>	<hr/> <hr/>

## NOTES AND ACCOUNTING POLICIES

YEAR ENDED 30 APRIL 1995

## 6 BANK LOAN

The long term bank loan bears interest at 2.5% over bank base rate per annum and is repayable in equal instalments such as to achieve repayment of the debt over the remaining 14 year period.

	1995 £	1994 £
Amounts repayable within five years	133,335	133,335
Amounts repayable after five years	213,332	239,998
	<hr/>	<hr/>
	346,667	373,333
Less: Amount falling due within one year	(26,667)	(26,667)
	<hr/>	<hr/>
Amounts falling due after more than one year	320,000	346,666
	<hr/>	<hr/>

## 7 ULTIMATE PARENT COMPANY AND FINANCIAL SUPPORT

The company is a wholly owned subsidiary of Warm Welcome Management Limited, a company registered and incorporated in England.

As part of Warm Welcome Management Limited's ongoing activities, it has pledged to provide sufficient, continuing facilities at the disposal of Warm Welcome Hotels (Southern) Limited in order to enable it to continue normal trading activities.

The financial statements are therefore drawn up on a going concern basis.

During the year the company was charged for management services provided by the holding company. The aggregate amount charged in the year was £50,000 relating to services provided for the year to 30 April 1995. It was also charged £8,000 for management services provided by its fellow subsidiary Warm Welcome Hotels Limited. These transactions were on normal commercial terms.