

CONQUEST INNS (TRADING) LIMITED

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

27 JANUARY 2002



Company Number 2917743

CONQUEST INNS (TRADING) LIMITED

REPORT OF THE DIRECTORS'

The directors submit their report together with the audited financial statements of the company for the year ended 27 January 2002.

Principal Activity

The company was dormant for the year under review.

Directors

The directors who served the company during the year and their interests in the issued share capital of the company at the beginning and end of the year were:

	£1 Ordinary Shares	
	<u>2002</u>	<u>2001</u>
J A Yetman	-	-
R A Spink	-	-
A M Hogg	-	-
P W Pollard	-	-
M Ralph	-	-

E Fenlon is an alternate director who can attend and vote at directors' meetings in the absence of J A Yetman or R A Spink. E Fenton held no shares in the company as at 27 January 2002 (2001: nil).

The directors' interests in the ultimate parent undertaking are disclosed in that company's financial statements.

Statement of Directors' Responsibilities in Respect of the Financial Statements

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.


Auditors

A resolution proposing the re-appointment of Burnett Swayne as auditors to the company will be put to the Annual General Meeting.

Small Company Exemptions

In preparing this report, the directors have taken advantage of the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors


M RALPH, DIRECTOR

Approved by the board on

3/5/02

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

CONQUEST INNS (TRADING) LIMITED

We have audited the financial statements of Conquest Inns (Trading) Limited for the year ended 27 January 2002 which comprise the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

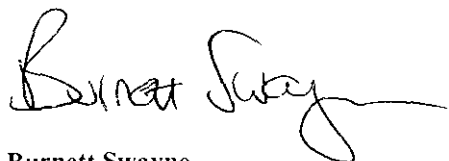
BASIS OF OPINION

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 at 27 January 2002 and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Burnett Swayne
Chartered Accountants and Registered Auditors
Charter Court
Third Avenue
Southampton
SO15 0LD

Date: 13/1/02

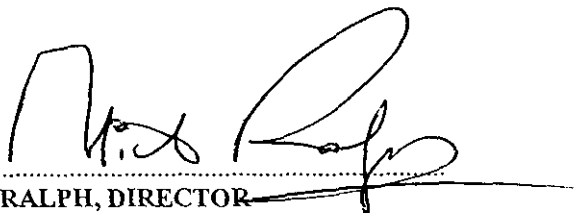
CONQUEST INNS (TRADING) LIMITED

BALANCE SHEET AT 27 JANUARY 2002

	NOTE	£	<u>2001</u> £
CURRENT ASSETS			
Debtors	2	<u>221,266</u>	<u>221,266</u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
Reserves		<u>221,264</u>	<u>221,264</u>
SHAREHOLDERS' FUNDS - EQUITY INTEREST		<u>221,266</u>	<u>221,266</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

Signed on behalf of the board of directors



M RALPH, DIRECTOR

Approved by the board on

3/5/02

CONQUEST INNS (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 27 JANUARY 2002

1 ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with Companies Act 1985, as amended, and applicable accounting standards.

2	DEBTORS	2002	2001
		£	£
	Amounts due from parent undertaking	<u>221,266</u>	<u>221,266</u>
3	SHARE CAPITAL	2002	2001
		£	£
	Authorised:		
	1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid:		
	2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
4	ULTIMATE PARENT UNDERTAKING		
	The ultimate parent undertaking is Ann Street Group Limited, a company incorporated in Jersey.		