

Company Registration No. 00992321 (England and Wales)

FOSSE MANOR HOTEL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 2002



FOSSE MANOR HOTEL LIMITED

COMPANY INFORMATION

Directors	A J Harvey	(Appointed 2 December 2002)
	P L C Knee	(Appointed 2 December 2002)
Secretary	RD Handley	
Company number	00992321	
Registered office	Fosse Manor Hotel, Stow on the Wold Cheltenham Gloucester GL54 1JX	
Accountants	Berkeley Hamilton 5 Pullman Court Great Western Road Gloucester GL1 3ND	
Business address	Fosse Manor Hotel, Stow on the Wold Cheltenham Gloucester GL54 1JX	
Bankers	Barclays Bank Plc 37 Milsom Street Bath BA1 1DW	

FOSSE MANOR HOTEL LIMITED

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FOSSE MANOR HOTEL LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2002

The directors present their report and financial statements for the period ended 30 November 2002.

Principal activities

The principal activity of the company continued to be that of hoteliers. The company changed its name from Johnston Hotels Limited to Fosse Manor Hotel Limited on 05 December 2002.

Directors

The following directors have held office since 1 May 2002:

DC Sharland	(Resigned 2 December 2002)
R Johnston	(Resigned 2 December 2002)
A J Harvey	(Appointed 2 December 2002)
YV Johnston	(Resigned 2 December 2002)
P L C Knee	(Appointed 2 December 2002)

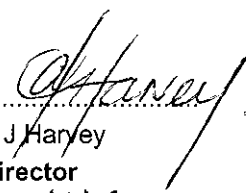
Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each of each	
	30 November 2002	1 May 2002
DC Sharland	-	-
R Johnston	-	500
YV Johnston	-	500

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


.....
A J Harvey
Director

20.11.02

FOSSE MANOR HOTEL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 NOVEMBER 2002

	Notes	Period ended 30 November 2002 £	30 April 2002 £
Turnover		461,513	822,621
Cost of sales		(96,580)	(195,834)
Gross profit		364,933	626,787
Administrative expenses		(394,099)	(571,396)
Other operating income		5,603	5,400
Operating (loss)/profit	2	(23,563)	60,791
Interest payable and similar charges		(1,645)	(4,184)
(Loss)/profit on ordinary activities before taxation		(25,208)	56,607
Tax on (loss)/profit on ordinary activities	3	2,836	(11,290)
(Loss)/profit on ordinary activities after taxation		(22,372)	45,317
Dividends		(20,000)	(85,500)
Retained loss for the period	10	(42,372)	(40,183)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FOSSE MANOR HOTEL LIMITED

BALANCE SHEET AS AT 30 NOVEMBER 2002

	Notes	2002 £	2002 £
Fixed assets			
Tangible assets	4	227,707	236,532
Current assets			
Stocks		10,946	10,663
Debtors	5	21,397	20,526
Cash at bank and in hand		559	800
		<u>32,902</u>	<u>31,989</u>
Creditors: amounts falling due within one year	6	<u>(231,457)</u>	<u>(199,282)</u>
Net current liabilities		<u>(198,555)</u>	<u>(167,293)</u>
Total assets less current liabilities		<u>29,152</u>	<u>69,239</u>
Provisions for liabilities and charges	7	<u>(22,180)</u>	<u>(19,895)</u>
		<u>6,972</u>	<u>49,344</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	10	5,972	48,344
Shareholders' funds - equity interests	11	<u>6,972</u>	<u>49,344</u>

In preparing these financial statements:

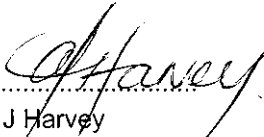
- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

FOSSE MANOR HOTEL LIMITED

BALANCE SHEET (CONTINUED) AS AT 30 NOVEMBER 2002

The financial statements were approved by the Board on 20/11/03


A J Harvey
Director

FOSSE MANOR HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% Straight Line
Land and buildings Leasehold	10% Straight Line
Fixtures, fittings & equipment	15% Reducing Balance
Motor vehicles	25% Reducing Balance

During the year the directors changed the accounting policy on freehold land and buildings and began to depreciate the asset at a rate of 2% on cost. This was done as they felt that it would give a fairer reflection of the estimated useful economic life of the assets involved. In the previous year, the directors considered that the freehold property was maintained to a level where its residual value was at least equal to its book value. Having regard to this; it was the opinion of the directors that amortisation of the property as required by the Companies Act 1985 and accounting standards would not have been material. No restatement of the previous year's figures has been made as the effects are not considered to be material.

1.4 Stock

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

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating (loss)/profit	2002 £	2002 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	13,624	21,624
Loss on disposal of intangible assets	-	2,023
Directors' emoluments	23,875	57,396
Compensation for loss of office paid to directors	30,000	-
and after crediting:		
Profit on disposal of tangible assets	(1,982)	-

FOSSE MANOR HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2002

3	Taxation	2002 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	-	8,184
	Adjustment for prior years	(5,121)	-
	Current tax charge	(5,121)	8,184
	Deferred tax		
	Deferred tax charge/credit current year	2,285	3,106
		(2,836)	11,290
	Factors affecting the tax charge for the period		
	(Loss)/profit on ordinary activities before taxation	(25,208)	56,607
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 % (2002: 19.41 %)	(4,790)	10,987
	Effects of:		
	Non deductible expenses	152	394
	Depreciation add back	2,212	4,198
	Capital allowances	(1,880)	(7,395)
	Tax losses utilised	4,306	-
	Adjustments to previous periods	(5,121)	-
		(331)	(2,803)
	Current tax charge	(5,121)	8,184

FOSSE MANOR HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2002

4 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 May 2002	112,649	27,555	424,471	9,924	574,599
Additions	2,849	-	4,743	-	7,592
Disposals	-	-	-	(7,750)	(7,750)
At 30 November 2002	115,498	27,555	429,214	2,174	574,441
Depreciation					
At 1 May 2002	-	7,665	323,770	6,632	338,067
On disposals	-	-	-	(4,957)	(4,957)
Charge for the period	2,310	1,608	9,226	480	13,624
At 30 November 2002	2,310	9,273	332,996	2,155	346,734
Net book value					
At 30 November 2002	113,188	18,282	96,218	19	227,707
At 30 April 2002	112,649	19,890	100,701	3,292	236,532

5 Debtors

	2002 £	2002 £
Trade debtors	5,068	8,620
Other debtors	16,329	11,906
	21,397	20,526

6 Creditors: amounts falling due within one year

	2002 £	2002 £
Bank loans and overdrafts	159,846	100,001
Trade creditors	29,433	43,042
Taxation and social security	15,931	36,743
Other creditors	26,247	19,496
	231,457	199,282

FOSSE MANOR HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2002

7 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 May 2002	19,895
Profit and loss account	2,285
Balance at 30 November 2002	22,180

The deferred tax liability is made up as follows:

	2002 £	2002 £
Accelerated capital allowances	22,180	19,895

8 Pension costs

Defined contribution

	2002 £	2002 £
Contributions payable by the company for the period	840	10,171

9 Share capital

	2002 £	2002 £
Authorised		
1,000 Ordinary shares of £1 each of each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each of each	1,000	1,000

FOSSE MANOR HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2002

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 2002	48,344
Retained loss for the period	(42,372)
Balance at 30 November 2002	5,972

11 Reconciliation of movements in shareholders' funds

	2002 £	2002 £
(Loss)/Profit for the financial period	(22,372)	45,317
Dividends	(20,000)	(85,500)
Net depletion in shareholders' funds	(42,372)	(40,183)
Opening shareholders' funds	49,344	89,527
Closing shareholders' funds	6,972	49,344

12 Capital commitments

	2002 £	2002 £
At 30 November 2002 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	250,000	-

As at the period end the company had entered into a commitment to purchase property previously rented from past directors of the company.

13 Control

The immediate controlling party is Investotel Limited by virtue of its 100% ownership. The ultimate controlling parties are A Harvey & PLC Knee who jointly own Investotel Limited.

14 Post balance sheet events

On the 5th December 2002 the company changed its name to Fosse Manor Hotel Limited.